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Europe

FINNISH-SOVIET SITUATION

Statement by the President

[Released to the press by the White House December 1]

The news of the Soviet naval and military bombings within Finnish territory has come as a profound shock to the Government and people of the United States. Despite efforts made to solve the dispute by peaceful methods to which no reasonable objection could be offered, one power has chosen to resort to force of arms. It is tragic to see the policy of force spreading, and to realize that wanton disregard for law is still on the march. All peace-loving peoples in those nations that are still hoping for the continuance of relations

throughout the world on the basis of law and order will unanimously condemn this new resort to military force as the arbiter of international differences.

To the great misfortune of the world, the present trend to force makes insecure the independent existence of small nations in every continent and jeopardizes the rights of mankind to self-government. The people and Government of Finland have a long, honorable, and wholly peaceful record which has won for them the respect and warm regard of the people and Government of the United States.

Statement by the Secretary of State

[Released to the press November 29]

This Government is following with serious concern the intensification of the Finnish-Soviet dispute. It would view with extreme regret any extension of the present area of war and the consequent further deterioration of

international relations. Without in any way becoming involved in the merits of the dispute, and limiting its interest to the solution of the dispute by peaceful processes only, this Government would, if agreeable to both parties, gladly extend its good offices.

Appeal by the President Regarding Bombardment From the Air of Civilian Populations

[Released to the press December 1]

The American Minister to Finland and the American Ambassador to the Union of Soviet Socialist Republics were requested to deliver the following message in the name of the

President to the Governments to which they are accredited:

"The ruthless bombing from the air of civilians in unfortified centers of population dur-

ing the course of hostilities which have raged in various quarters of the earth during the past few years, which has resulted in the maiming and in the death of thousands of defenseless men, women and children, has sickened the hearts of every civilized man and woman, and has profoundly shocked the conscience of humanity.

"If resort is had to this form of inhuman barbarism during the period of the tragic conflagration with which the world is now confronted, hundreds of thousands of innocent human beings who are not even remotely par-

ticipating in hostilities, will lose their lives. I am therefore addressing this appeal to the Soviet Government [read Finnish Government in the message to Helsinki], as I have to governments which have been engaged in general hostilities, publicly to affirm its determination that its armed forces shall in no event, and under no circumstances, undertake the bombardment from the air of civilian populations or of unfortified cities, upon the understanding that these same rules of warfare will be scrupulously observed by all of their opponents. I request an immediate reply.

FRANKLIN D. ROOSEVELT"

Reports From the American Minister to Finland

[Released to the press November 30]

The American Minister to Finland, Mr. H. F. Arthur Schoenfeld, reported on November 30 to the Department of State that at 10:20 a. m., Helsinki time, he had handed to the Finnish Minister of Foreign Affairs a memorandum containing the text of Secretary Hull's statement of November 29, printed above.

The Foreign Minister said the Finnish Government would welcome the exercise of good offices to put an end to the Russian attack, especially as it had no communication with the Soviet Government. The Foreign Minister said no attack had been made from the Finnish side anywhere but an artillery bombardment began at 7 a. m. the morning of November 30 by land and sea near Terijoki and Kuokkala District as well as north of Lake Lagoda where Russians crossed the frontier. The Russians had also occupied the Finnish part of Fisherman's Peninsula at Petsimo and seized Finnish frontier guards on the northern boundary. A plane which flew over Helsinki at 9:20 the morning of November 30 dropped five bombs on the Malmi airfield.

The American Chargé at Moscow, Mr. Walter C. Thurston, reports that at 11:45 a. m., Mos-

cow time, November 30, he handed to the Vice Commissar for Foreign Affairs, with a brief covering note, a copy of Secretary Hull's statement of November 29. The Vice Commissar remarked that in his opinion there was no occasion for good offices. Beyond this he made no comment, but the Chargé reported that presumably the Vice Commissar will deliver the statement at once to higher officials.

[Released to the press November 30]

The American Minister to Finland reported that at 9:20 o'clock, Finnish time, November 30, one Soviet two-motored plane passed over Helsinki at a low altitude. It was fired on by anti-aircraft artillery and departed after 15 minutes. At 10:20 a. m., Finnish time, a flight of 9 Soviet light bombers attacked fortresses in the Bay of Helsinki, were met by anti-aircraft fire, and departed at 10:25 a. m.

[Released to the press November 30]

The American Minister to Finland reported to the Department of State at 5 p. m., Finnish time, November 30, that there was another air raid the afternoon of November 30, at about 3 o'clock, when 15 planes flew over the immediate vicinity of the Legation offices, and some build-

ings within 3 blocks of the Legation were burning.

So far as Minister Schoenfeld was aware there have been no American casualties.

Minister Schoenfeld has opened an emergency office at the Badgrankulla Hotel, which is approximately 17 kilometers west of Helsinki, and is evacuating the Legation personnel to nearby places.

On the night of November 30 the personnel of the American Legation were being established at their new locations, and Mr. Schoenfeld will probably return to Helsinki itself on the morning of December 1.

[Released to the press December 1]

The American Legation at Helsinki reported to the Department of State at 12:30 a. m., Finnish time, December 1, that it is evacuating numerous Americans from Helsinki to the Legation's emergency quarters at Badgrankulla in private cars of the members of the Legation.

Helsinki was reported as being rapidly evacuated in cars, busses, and afoot. Fires were still burning at various places but were being brought under control. The casualty list includes children.

[Released to the press December 1]

Despatches to the Department of State from the American Legation at Helsinki, telephoned to the Legation at Stockholm, report that a heavy air raid started over Helsinki about 1 o'clock the afternoon of December 1.

A new Cabinet has been formed, headed by Mr. Riti, Director of the Bank of Finland, as Prime Minister, with Mr. Tanner, late Minister of Finance, as Minister of Foreign Affairs.

It was also reported from Finnish sources that heavy artillery preparations from the sea for an attempted landing had been proceeding at Hangoe, where transports visible at sea have met with strong resistance. The same sources also reported that air bombing squadrons crossed the Finnish Gulf entering Finnish territory over Sveaborg, passing Tavastehus in

the direction of the industrial cities Tammerfors and Jyvaskyla.

[Released to the press December 1]

The American Minister to Finland, Mr. H. F. Arthur Schoenfeld, reported to the Department at 3 p. m., Finnish time, December 1 that the Minister of the Interior made a radio speech to the nation at noon, December 1. The Minister of the Interior said that there was calm throughout the whole country, that evacuation was proceeding smoothly, solicited the continued public cooperation, praised the soldiers, and appealed to the public to follow their example. He said that the Finnish people have chosen independence and are unanimous, and history will show whether their choice was right.

Mr. Schoenfeld reported in his telegram that the calm of the public is impressive and that remarkable patience is noticeable everywhere. He described the temper of the public as admirable, despite severe hardships and approaching winter.

[Released to the press December 2]

The American Minister to Finland reported to the Department of State that 42 persons were known to have been killed in Helsinki by the air raids on November 30. The casualties were fewer on December 1. During the air raid of 15 planes which flew in the immediate vicinity of the Legation offices in Helsinki about 3 o'clock on the afternoon of November 30, Minister Schoenfeld personally witnessed indiscriminate bombing, and casualties were seen by members of the Legation. Buildings within 3 blocks of the Legation burned.

The city gas plant buildings were demolished, but the main tank was apparently intact and empty. An attack on the water reservoir on December 1 failed.

There were three heavy air raids on Helsinki on December 1. Minister Schoenfeld was in Helsinki the night of December 1 but expected to return immediately to Badgrankulla through a fairly effective blackout,

DETENTION BY BELLIGERENTS OF AMERICAN VESSELS FOR EXAMINATION OF PAPERS OR CARGOES

[Released to the press November 26]

Following is a list of American vessels in addition to the tabulation issued on November 17, 1939, showing the American vessels which have been reported to the Department of State as having been detained by belligerents since September 1, 1939, for examination of papers or cargo.

It was explained at the Department of State that injury to American vessels destined to European ports has not resulted in the main from their diversion from the high seas to belligerent ports. As a general practice, for

reasons of their own, the vessels which cleared from ports of the United States on or before November 4, the effective date of the Neutrality Act of 1939, ordinarily put into belligerent ports en route to their destinations, and the principal difficulty thus far has arisen in connection with delay involved in the examination of the vessels and their cargoes before being permitted to proceed on their voyages. Although all cases of detention may not have been reported to the Department, the statement is as nearly complete as is possible to arrange it.

Name of vessel	Owner or operator	Cargo	Detained	Released
Express.....	American Export Lines..	General.....	British, November 12, at Malta. Being detained pending receipt of instructions from British Government. Has remaining on board 420 tons general cargo for Greece, Turkey, and Rumania. Free to depart after November 21, in view of declaration furnished.	Departed November 23.
Black Hawk....	Black Diamond Lines..	.....	British, November 13. Arrived at Ramsgate.	
Exeter.....	American Export Lines..	.....	French, November 8. Detained 24 hours. 1,400 bales cottonseed hulk consigned to Switzerland removed.	November 10.
Black Condor...	Black Diamond Lines..	.....	British, November 5, at Weymouth. Part of cargo seized; 162 bags mail removed.	November 17.
Nishmaha.....	Lykes Bros. S. S. Co....	Cotton, paraffin, beef casings.	British, November 11, at Gibraltar. Large number of items of cargo seized. Free to proceed after November 17 on captain's undertaking to unload at Barcelona cargo for that port and to proceed to Marseille for unloading seized items.	
President Polk..	American President Lines.	.....	British, November 5, at Port Said. Certain cargo detained for inquiry.	
Scanmail.....	American Scantic Line..	Mixed.....	British, November 5, at Kirkwall. Part of cargo seized and detained. Free to depart after November 21 to return to United States.	
Tulsa.....	South Atlantic S. S. Co.	.....	British, October 23, at London...	November 9.
Examiner.....	American Export Lines..	General, oil, grease, rubber tires, cotton goods.	British, November 17, at Gibraltar. 11 bags first-class mail removed.	

Name of vessel	Owner or operator	Cargo	Detained	Released
West Harshaw..	Lykes Bros. S. S. Co...	General, cotton, oil, carbon black.	British, November 16, at Ramsgate.	
Yaka.....	Waterman S. S. Co....	General, cotton, barbed wire, tool handles.	British, November 11. Destination London and Rotterdam.	
Excambion.....	American Export Lines..	General, oil, films..	British, November 20, at Gibraltar.	
Exmouth.....	American Export Lines..		British, November 22, at Gibraltar.	
Black Gull.....	Black Diamond Lines..		British, November 17.....	

CONTRIBUTIONS FOR RELIEF IN BELLIGERENT COUNTRIES

[Released to the press November 28]

The following persons and organizations have registered with the Secretary of State since November 9, 1939 (the names of 176 registrants were published on and before that date) under the rules and regulations governing the solicitation and collection of contributions to be used for medical aid and assistance or for the supplying of food and clothing to relieve human suffering in the countries now at war, promulgated pursuant to the provisions of section 8 of the Neutrality Act of November 4, 1939, as made effective by the President's proclamation of November 4, 1939 (the names in parentheses represent the countries to which contributions are being sent):

177. Massachusetts Relief Committee for Poland, 340 Main Street, Worcester, Mass. (Poland)
178. Southbridge Allied Committee for Relief in Poland, 18 Ballard Court, Southbridge, Mass. (Poland)
179. American Friends Service Committee, 20 South Twelfth Street, Philadelphia, Pa. (United Kingdom, Poland, Germany, and France)
180. Réfugiés d'Alsace-Lorraine en Dordogne, 486 California Street, San Francisco, Calif. (France)
181. United Polish Societies of Manchester, 158 Eldridge Street, Manchester, Conn. (Poland)

182. Polish Relief Committee of Jackson, Mich., 1425 Joy Avenue, Jackson, Mich. (Poland)
183. Share A Smoke Club, Inc., 504 Stewart Avenue, Ithaca, N. Y. (England and France)
184. Committee of French-American Wives, 18 East Forty-sixth Street, New York, N. Y. (France)
185. Hadassah, Inc., 1860 Broadway, New York, N. Y. (Palestine)
186. Federation of Franco-Belgian Clubs of Rhode Island, Sampson Street, Woonsocket, R. I. (France)
187. Société Française de St. Louis, Inc., 3533 Longfellow Boulevard, St. Louis, Mo. (France)
188. American German Aid Society, 2206 West Twenty-first Street, Los Angeles, Calif. (Germany)
189. French War Relief, 1209 Pershing Square Building, 448 South Hill Street, Los Angeles, Calif. (France)
190. General Taufflieb Memorial Relief Committee for France, 265 Miramar Avenue, Santa Barbara, Calif. (France and England)
191. Polish Business and Professional Men's Club, Inc., 5252 South Broadway, Los Angeles, Calif. (Poland)
192. League of Polish Societies of New Kensington, Arnold and vicinity, 857 Kenneth Avenue, New Kensington, Pa. (Poland)
193. British-American War Relief Association, in care of Dr. Ira L. Neill, Cobb Building,

- Seattle, Wash. (United Kingdom and allied countries)
194. The Fashion Group, Inc., 30 Rockefeller Plaza, New York, N. Y. (France)
195. Secours Franco-Américain—War Relief, 2555 Woodward Avenue, Pittsburgh, Pa. (France)
196. Mrs. Carroll Greenough, 1408 Thirty-first Street, N. W., Washington, D. C. (France)
197. The United Polish Societies of Bronx

- County, 705-09 Courtlandt Avenue, Bronx, New York, N. Y. (Poland)
198. Committee for the Relief for Poland, 1714 Eighteenth Street, Seattle, Wash. (Poland)
199. Polish Women's Relief Committee, 149 East Sixty-seventh Street, New York, N. Y. (France, Poland, and Germany)
200. Mrs. Walter R. Tuckerman, Edgemoor, Bethesda, Md. (Great Britain)

The American Republics

CONFERENCE ON INTER-AMERICAN RELATIONS IN THE FIELD OF PUBLICATIONS AND LIBRARIES

The Role of the United States Government in International Cultural Relations: Address by Assistant Secretary Grady¹

[Released to the press November 29]

It is an honor to welcome here today this distinguished group of writers, publishers, book dealers, and librarians. Your coming here to discuss the ways and means of increasing inter-American understanding and exchange through the printed word is, I assure you, greatly appreciated.

This is a subject of outstanding importance. A greater knowledge on the part of the two Americas of how the other continent lives, of what it thinks, and of what it likes is fundamental to a closer drawing together of the American republics and to the fullest realization of the "good neighbor" policy. It is natural that in seeking to promote cultural understanding between the Americas effort should be directed to a greater reciprocal exchange of publications.

A knowledge of the culture of a people leads to an understanding of their social, economic,

and political life. Culture is a social phenomenon. It is the pattern which determines how people in relation to others in a group think and act. The physical characteristics of man—the complexion of his skin, the color of his hair and eyes, the shape of his head, and his stature—are his biological heritage. His behavior and habits of thought, that is, his industry, his technical skill, his artistic appreciation, his moral code, including his attitude toward the institution of property, individual rights, and freedom of speech, are in a large part governed by his cultural environment. Differences in cultural environment account largely for differences in legal, political, and economic institutions.

Although the culture of a people is determined in part by geographical and other material factors, it may nevertheless be modified, developed, and enriched by the infiltration of ideas and values of other peoples. The development of the arts and tribal institutions of primitive peoples has resulted in many instances from migrations and invasions. The amalga-

¹ Delivered at the Conference on Inter-American Relations in the Field of Publications and Libraries, in the Coolidge Auditorium, Library of Congress, November 29, 1939.

mations of cultures produced revitalized social organizations. The glory that was Rome was in some measure borrowed from Greece. The colonization of western Europe by the Romans influenced the development of feudal society in the Middle Ages. The Renaissance, in which our modern civilization has its roots, provides an outstanding and well-known instance in history of the effect of the diffusion of the thought and learning of one society, even though of an ancient and bygone age, into the culture of another.

Social behavior and habits of thought during the Middle Ages were dominated by the church. The monks were the only writers and the monasteries the only libraries. The church was the guardian of learning and controlled its dissemination. The infiltration of the thought and knowledge from the East, however, following the Crusades and the Mongolian invasions, broadened the intellectual horizon of the people. Copies of the works of Plato and Aristotle and the Greek poets, which found their way into southern Italy, and a knowledge of higher mathematics, physics, and chemistry, which found its way into Europe from the Moorish universities in Spain, opened the minds of the people in the West, raised questions, and prepared the way for the reception of science. In Spain this intellectual reawakening found expression in voyages of discovery, made possible by the mariner's compass, imported from Asia, and led to the founding of new civilizations in the Americas.

The penetration of eastern and ancient culture into Europe was in a large part due to the printing press, also a product of the East. It made the dissemination of knowledge on a wide scale mechanically easy and financially possible. The printed word was one of the basic factors in the rise of modern civilization. As a medium for the expression of the aspirations, emotions, and intellectual activity and interests of a people, the printed word is today a powerful social force, and, because this medium of cultural expression is broad in scope and widely appreciated, it is a factor of great importance in international relations.

By the exchange of the printed word between peoples of various countries, there may be brought about a reciprocal exchange of ideas, learning, and values; in short, a welding together of cultures which enriches our lives, promotes the growth of common interests among nations, and leads to the maintenance of peace and harmony in the world.

Peace is the objective toward which our foreign policy is directed. In our relations with Latin America our desire for the preservation of peace and harmony has found expression in a number of inter-American conferences. At the Conference of Montevideo in 1933 substantial agreement was reached by the American republics concerning matters involving respect for sovereignty, elimination of intervention, and the perfecting of mechanisms by which disputes could be solved by peaceful means. At the Conference for the Maintenance of Peace, at Buenos Aires in 1936, the 21 American republics concluded certain agreements designed to make possible common action by all of the 21 American republics in the event that peace was threatened. At the Eighth International Conference of American States at Lima last year they agreed that they would defend and maintain the integrity of the republican institutions to which the New World is committed; that they would regard an attack on any one of these nations as an attack on all; and that they would consult together to take measures for the common defense in the event of a threat to peace or an attack on any one of them. At the outbreak of war last September, action was promptly taken on the basis of these provisions, and consultation of the American republics was held at Panamá.

Moreover, in our trade-agreements program we are seeking to promote peace and prosperity through the elimination of trade discriminations and the reduction of barriers to international commerce. In order to avoid economic frictions and consequent international ill-feeling which ultimately leads to war, the trade of all nations must be treated fairly and equitably and opportunity must be afforded them through the lowering of barriers against

their exports to realize more fully their economic potentialities. Only under conditions of economic prosperity is peace secure. Trade agreements providing on a reciprocal basis for most-favored-nation treatment and the relaxation of import restrictions have been concluded by this Government with 11 Latin-American countries, namely, Cuba, Brazil, Haiti, Colombia, Honduras, Nicaragua, Guatemala, Costa Rica, El Salvador, Ecuador, and Venezuela. Moreover, notice has been given of intention to negotiate trade agreements also with Argentina, Chile, and Uruguay.

Cultural relations therefore in promoting understanding and good will between nations are of vital interest to this Government from the point of view of its foreign policy, and this Conference, which is meeting to discuss the possibilities of developing more effective channels for the flow of culture between the two continents, has a far-reaching significance.

It is the theory and viewpoint of the Government, however, that cultural activities in this country rest primarily with private initiative and that the Government should play a secondary role, placing at the disposal of such agencies its facilities and aid. In this connection it may be noted that the establishment of the Division of Cultural Relations in the Department of State and the Hispanic Foundation of the Library of Congress constitute important Government gestures to this end. Both are eager to make their facilities available and to aid in every legitimate way in the furtherance of inter-American cultural relations.

The Division of Cultural Relations of the Department of State has been established essentially as a clearinghouse and coordinating agency to offer the good offices of the Government to the important private agencies in the field. The recent book exhibits held in Buenos Aires, Rio de Janeiro, and Montevideo in which the Department collaborated with 32 publishing houses of this country indicate how the Department can cooperate with private initiative. Another important step which has been taken toward the increase of exchange in the field of books is the Convention on the Interchange of Publications, signed at Buenos Aires in 1936. This accord provided for (a) the establishment in each national library or official library of a section dedicated to the other signatory states, (b) the installation in these sections by each of the signatory states of "a collection of works of such character as to afford an understanding of the thought of their men of letters and science", and (c) the provision (article III) by each signatory to the other contracting parties of copies of "official publications and such other publications as are edited with official assistance." This convention has been ratified by the Senate.

The Department is deeply appreciative of the presence of all who have come to Washington to consult and advise with each other and with the Department on these matters. These conferences are evidence in themselves of the desire of the Government to enlist the aid and cooperation of the numerous private agencies throughout the country in the task of furthering more effectively increased understanding between the peoples of this hemisphere.

Proceedings of the Conference

[Released to the press November 28]

Representatives of leading publishing houses, university presses, public and special libraries, journals, magazines, and newspapers will attend a Conference on Inter-American Relations in the Field of Publications and Libraries to be held at the Library of Congress on November

29 and 30.² The Conference, sponsored by the Department of State, has been called for the purpose of discussing how inter-American understanding can be forwarded by the ex-

² A list of the persons who had indicated their intention of attending the Conference as of November 27, 1939, was released to the press by the Department on November 28.

change of books and other publications and how this material can be made readily available to the public.

At the opening session, which will be held at 10 a. m. on November 29 in the Coolidge Auditorium, the Honorable Henry F. Grady, Assistant Secretary of State, will address the Conference on the role of the United States Government in international cultural relations. The Honorable Archibald MacLeish, Librarian of Congress, will discuss the contribution of libraries to inter-American cultural relations. Under a review of resources for interchange, the Conference will hear José Balseiro of Puerto Rico, formerly Professor of Spanish Literature at the University of Illinois, outline what of special interest to the United States the other American republics can contribute. John A. Mackay, President of the Princeton Theological Seminary, formerly Professor of Philosophy at the University of San Marcos in Lima, Peru, will discuss what of special interest to the other American republics the United States can contribute. Stanley K. Hornbeck, Adviser on Political Relations, Department of State, and Ben M. Cherrington, Chief, Division of Cultural Relations, Department of State, will preside at the opening session.

The second session of the Conference, to be held at 2:30 Wednesday afternoon, will be devoted to a consideration of the facilities for interchange. Henry M. Snyder, President of Henry M. Snyder & Co., will outline the viewpoint of the general publisher. Mr. Snyder represented the American publishers participating in the exhibitions of books published in the United States held last summer in Buenos Aires, Montevideo, and Rio de Janeiro. R. O. Rivera, Director of the Duke University Press, will outline the contribution of university presses. Discussing the contribution of libraries, the Conference will hear from Charles F. Gosnell, Chairman, Committee on Library Cooperation with Latin America, American Library Association; Lewis Hanke, Director of the Hispanic Foundation of the Library of Congress; the Honorable Leo S. Rowe, Director

General of the Pan American Union, who will describe the work of the Union's Columbus Library; and Laura A. Woodward, Vice President of the Special Libraries Association.

The place of the journal in the other American republics will be discussed by Samuel Guy Inman, of the University of Pennsylvania. Mortimer Graves, Administrative Secretary of the American Council of Learned Societies, will outline the contribution of scholarly journals. The Honorable Wilbur Cross, editor of *The Yale Review*, will discuss the contribution of literary journals. The contribution of technical, trade, and business journals will be presented by John Abbink, President of the Business Publishers International Corporation. Joshua Powers, of Editors Press Service, Inc., will speak on the contribution of newspapers. Dr. Hanke will preside at the second session.

An informal dinner will be held at the National Press Club Wednesday evening at which delegates to the Conference will hear Hubert Herring, Executive Director of the Committee on Cultural Relations with Latin America, Blair Niles, author of *Peruvian Pageant*, and Waldo G. Leland, Permanent Secretary of the American Council of Learned Societies, discuss personal adventures in the other Americas. The Reverend Edmund A. Walsh, Vice President of Georgetown University, will preside at the dinner.

The delegates will split up into two parallel discussion groups the second day of the Conference. Group I will consider how the market for books published in the United States can be increased in the other American republics; credit arrangements and exchange problems; methods of shipment; how the market in the United States for books published in the other American republics can be increased; developing a reading public, and its relation to the teaching of Spanish and Portuguese; a general survey of the resources for potential translations—English to Spanish or Portuguese, and Spanish or Portuguese to English; methods of selection of individual works; problems of publication and circulation; and the improvement

of inter-American cultural relations through copyright protection.

Group II will consider how books may be obtained from the other American republics; booklists and bibliographies; agencies for purchase and circulation; the exchange and use of government documents and official publications; stimulation of interchange of journals and articles; library cooperation other than through exchange of books, such as fellowships and grants-in-aid, exhibits, reproduction of bibliofilm, photostats, translations of publications about library work, library schools, and library participation in other phases of cultural cooperation, such as art and music. Curtis W. McGraw, Vice President of McGraw-Hill Book Co., will act as presiding officer in Group I, while Carl H. Milam, Secretary of the American Library Association, will preside in Group II.

At its plenary session Thursday afternoon, the Conference will hear reports from the group meetings and the report of the Conference Findings Committee. Charles A. Thomson, Assistant Chief, Division of Cultural Relations, Department of State, will preside at the plenary session.

[Released to the press November 29]

Publishers, authors, and librarians attending the Conference on Inter-American Relations in the Field of Publications and Libraries were welcomed on November 29 by Assistant Secretary of State Henry F. Grady and Archibald MacLeish, Librarian of Congress, and heard Mr. José A. Balseiro, prominent Puerto Rican intellectual, and Dr. John A. Mackay, President of the Princeton Theological Seminary, discuss the type of literature best suited to contribute to better inter-American understanding. Approximately 150 persons attended the opening session of the Conference, held in the Coolidge Auditorium of the Library of Congress.

Discussing the evident increasing interest in this country concerning the other American republics, Mr. MacLeish expressed the opinion that the cultural log jam of the past could

be broken by making readily available to the public the literary treasures of both continents.

Expressing the appreciation of the Department of State to those attending, Assistant Secretary of State Grady stated that a greater knowledge on the part of the two Americas of how the other continent lives, what it thinks, and what it likes, is fundamental to a closer drawing together of the American republics to the fullest realization of the "good neighbor" policy.

Discussing what of particular interest the other American republics can contribute to the United States, Dr. Balseiro, who was formerly a professor of Spanish literature at the University of Illinois, urged that an adequate edition in English of a selected number of works of Ibero-American authors be published. Such an inexpensive edition, Dr. Balseiro said, would be welcomed by the legion of North American readers who would like to become familiar with the essays, novels, plays, and poems of the other American republics. Such material, he added, was deserving of the widest possible public in the United States.

"It is not enough," Dr. Balseiro cautioned, "to read one another's books. We learn little from books unless we learn from life as well." To learn at first-hand, Dr. Balseiro urged that more teachers come to the United States; lecturers who could speak in English on the people's customs of the other Americas. "Men and women giving voice to the aspirations of their own peoples coming to this country as ambassadors of their governments and cultural centers, their scientific associations and artist groups, will bring to the United States an understanding of the essential spirit of Central and South America and the republics of the Caribbean."

The main republics of Ibero-America, Dr. Balseiro added, should arrange cultural programs to be transmitted by radio to the United States. Such programs might consist of lessons in Spanish and discussions in English of the art, literature, folk music, and narratives of their own history and biography.

A pan-American university should be established, Dr. Balseiro said. Such university would have a rotating plan for the periodic renewal of its teaching force representing each of the countries of the Western Hemisphere. Students of the keenest mind and most solid worth from all the Americas, he said, would form even more surely a continental conscience. Dr. Balseiro urged that travel be stimulated in all the Americas. "After we have looked with clear eyes and a heart disposed to understanding, it will be to the mutual interests of each to search out the books and music which reveal in its entirety the soul of the continent."

Dr. John A. Mackay, who was at one time professor of philosophy at the University of San Marcos in Lima, Peru, outlined what of special interest to the other American republics the United States could contribute. The selection of material suitable for exchange should be dependent upon the cultural situation in Latin America, he said. Particular note should be given to the Latin American's evaluation of his own needs. "Latin America has the closest cultural ties with France; similar ties exist with Italy. Prior to the Nazi Revolution, German literature and works of science were widely read. Barcelona and Madrid popularized education. The Latin American knows our science, our miracles of mechanics, but he knows nothing of our cultural interests. Among the masses in the other American republics there is a greater popular interest in artistic matters than in the United States."

Agreeing with Dr. Balseiro, Dr. Mackay stated that the Latin-American mind was personalistic. The greatest cultural contribution we can make is to send to the other Americas cultured persons who may interpret and represent what is best in the United States. "The persons you send," Dr. Mackay said, "are just as important as the books you send."

The greatest need in view of the exigencies in Europe, Dr. Mackay indicated, is for popular books on contributions which have been made by the United States to the store of human knowledge; books popularizing and explaining the birth and growth of typically

American movements such as how education developed in this country; and popular biographies of great North American personalities. Translations of the poetry of Longfellow, Lannier, and Whittier would be popular. Works of the literary humanists—representative regional novels of the United States—Dr. Mackay said, would furnish a window through which our southern neighbors might see us as we are.

Dr. Stanley K. Hornbeck, Adviser on Political Relations of the Department of State, and Dr. Ben M. Cherrington, Chief of the Division of Cultural Relations, presided at the opening session of the Conference.

[Released to the press November 30]

Pointing to the wealth of literary, scientific, and technical material suitable for exchange between the United States and the other American republics, speakers at the second session of the Conference on Inter-American Relations in the Field of Publications and Libraries discussed ways and means whereby this material might be made readily available to the reading public.

Keynote of the Conference, held under the auspices of the Department of State at the Coolidge Auditorium in the Library of Congress, was the essential reciprocity of a coordinated program designed to make available in the other American republics books and other publications representative of the intellectual attainments of the United States and to receive from them outstanding works which would bring to the reading public in this country a better understanding of their culture.

Citing the unusual interest shown by the people of Argentina, Uruguay, and Brazil in books published in the United States, Henry M. Snyder, president of Henry M. Snyder & Co., said that regardless of the fact that English is not a compulsory language in South America some 50,000 people attended the recent exhibitions of American books shown in Buenos Aires, Montevideo, and Rio de Janeiro. Mr. Snyder, who represented the 32 publishers who cooperated in the showing of more than 2,000 volumes in each of these

cities, expressed the opinion that the exhibitions aroused an immense amount of interest in American publications. "If we will but keep this alive by sincere and hearty cooperation in the future, the time is not far distant when the two Americas will be brought closer together in thought and understanding."

"Cultural relations," Mr. Snyder continued, "the underlying motive of the book exhibitions and of this Conference on which our hopes for future success are based, have come to have a fuller meaning for me than heretofore in that I sense the necessity that they become reciprocal. With this view in mind I have tried to assure South American publishers of the sincerity of our purpose and that North American publishers will be glad to have information on their important publications suitable for translation into English and which may be published and marketed through their regular bookselling channels."

"The first step in such reciprocal publishing has been accomplished. While in Rio, my attention was called to a series of juveniles issued and subsidized to a great extent by the Ministry of Education. Each year a prize is offered by the Government for the best juvenile in an effort to encourage the publishing of worth-while books for younger children. Impressed with the excellent color work and general format of this year's prize winner, *The Story of the Palm Tree*, the thought occurred to me that it might readily lend itself for translation into English and find a place on one of our publishers' lists. Under ordinary publishing conditions this book might well be expected to retail at a price of \$2 in this country. The Minister of Education, however, was so interested in securing the widest sale possible, an extremely low price quite below cost was quoted and by his selection offered to Grosset & Dunlap for first refusal. These publishers have placed their order with the Brazilian Minister of Education for 10,000 copies, all of which are to be manufactured complete in Brazil, which will be sold here at a retail price of \$1 per copy."

Charles F. Gosnell, Chairman of the Committee on Library Cooperation with Latin

America of the American Library Association, told the Conference of the aims and program of the committee. These, he stated, included a survey of what could be done for the libraries both in the United States and the other American republics; the preparation of a handbook on technical problems of libraries; and making available fellowships to librarians in the other American republics in order that they might come to the United States to study library procedure. Among the long-range objectives of the committee, Mr. Gosnell listed a survey of public interest in Latin America as indicated by book resources, circulation, and reading habits of library users throughout the United States; a study of collections available in colleges and universities offering courses on Latin-American subjects; a study of the possibilities of promoting cultural relations through the exchange of publications; a study of the exchange relations now existing between important libraries in the United States and the other Americas; a study of the distribution of scholarly journals; a description of important Latin-American collections in the United States; and the assembling of information about libraries in the other American republics.

Lewis Hanke, Director of the Hispanic Foundation of the Library of Congress, explained that the scope of the Foundation was to assemble materials on Spain, Portugal, and Latin America. He stated that studies in the Portuguese tongue had been sadly neglected in the United States. In order that more attention might be given to such studies in the future, Dr. Hanke explained that it was the hope of the Foundation to build up large collections from Brazil and Portugal.

Citing the tremendous importance of journals upon the life of the people of the other American republics, Samuel Guy Inman, of the University of Pennsylvania, traced the history of the development of journals and magazines in the other Americas. No better insight into the contemporary life, ideas, and aspirations of our southern neighbors, Dr. Inman stated, can be found than in the pages of these publications. He urged that some means be devised whereby

these journals and magazines might be given wider circulation in this country.

Mortimer Graves, Administrative Secretary of the American Council of Learned Societies, speaking on the contribution of literary journals to international understanding, stated that current literary journals were improving the exchange of live ideas between the continents of North and South America. North American journals, he added, should be encouraged to publish articles dealing with the work done in their fields in South America. He also expressed the opinion that such journals should publish articles in Spanish and Portuguese dealing with significant developments in the United States.

John Abbink, President of Business Publishers International Corporation, told the Conference that 200,000 issues of technical, trade, and business journals published in the United States are circulated in the other American republics. Ninety percent of these, he added, are published in Spanish and Portuguese. Many are used as textbooks in the technical schools of Latin America, Mr. Abbink said.

Stating that many of the larger metropolitan dailies published in South America devote as much space to international news as papers published in the United States devote to local city coverage, Joshua Powers of Editors Press Service, Inc., pointed to the ever-increasing volume of news published in Latin-American papers concerning the United States. Mr. Powers expressed the opinion that Latin-American editors were much more aware of the United States than editors in this country were aware of significant literary developments in the other American republics. As an example, he cited a three-column review in a Colombian paper of a book published in the United States. Corroborating the statements of Mr. Powers, Edward C. Johnston, Vice President of Western Newspaper Union, stated that during a recent visit in South America he found that quickened reader interest in North America was noted by South American publishers. While events in Europe had limited full coverage of the other American re-

publics, Mr. Johnston stated that the press of the United States, small as well as metropolitan, was rapidly becoming aware of the increasing reader interest in things Latin American.

[Released to the press November 30]

The average North American is apt to think of South America as a continent composed of countries with essentially the same cultural and intellectual heritages. That this is a misconception which must not be overlooked in any effort toward promoting intellectual cooperation with the people of the South American Continent was the observation of Waldo G. Leland, Director of the American Council of Learned Societies, addressing delegates to the Conference on Inter-American Relations in the Field of Publications and Libraries at an informal dinner held Wednesday night, November 29, at the National Press Club, Washington, D. C.

Dr. Leland, who has just returned from an extended tour of South America, stated that to be effective any program of cultural interchange with the other American republics must take full account of the desires and needs of each of the participating countries. Visiting South America to determine the most effective method whereby scholars of both continents might consult each other in their mutual endeavors, Dr. Leland stated that he found an exceedingly friendly interest in the United States. Many Latin-American students expressed the desire to come to the United States to study. Concerning the types of books and publications desired in South America, Dr. Leland found that material which could serve as supplemental reading to courses taught in universities were most in demand. He said that the exhibitions of books published in the United States held in Buenos Aires, Montevideo, and Rio de Janeiro had made a sensation and had stimulated great interest in contemporary North American letters.

Preceding Dr. Leland, the Conference heard Hubert Herring, Executive Director of the Committee on Cultural Relations with Latin America and Blair Niles, author of *Peruvian*

Pageant, describe personal adventures in the other Americas. Expressing the fear that misguided enthusiasm for Latin America might provoke suspicion and retard efforts toward closer cultural collaboration, Dr. Herring urged that the problem of promoting better understanding between the United States and the other American republics be approached with a greater degree of realism than had past efforts at pan-Americanism.

In describing personal contacts in remote parts of Central and South America in preparation for her novels, Mrs. Niles paid tribute to the spirit of the Indians and cited their contribution to the culture of Latin America.

The Reverend Edmund A. Walsh, Vice President of Georgetown University, who presided at the dinner, said that it was fitting that the last of the series of conferences sponsored by the Department of State should be devoted to books, publications, and libraries. The immortality of the printed word, Father Walsh pointed out, preserved forever the knowledge that springs from the ancient fountainheads of culture. "One of the requisites of international cultural relations is that it be a two-way process. We have much to learn from Latin America. There is much that we can contribute to them. Who knows but what the tragedy in Europe may bring us to the dawn of a new era? It is conceivable that we in this hemisphere may be the guardians of western civilization. Who knows but what the unfolding of the next great civilization may be here? Whatever the future may have in store for us it is our obligation and our opportunity to preserve, promote, and strive to bring to its fullest fruition the democratic ideals of personal freedom grounded upon the solid rock of justice, understanding, and good will."

[Released to the press December 1]

At its plenary session Thursday afternoon, November 30, delegates to the Conference on Inter-American Relations in the Field of Publications and Libraries heard the recommendations of the Conference Findings Committee and reports from the publishers' and librarians' discussion groups.

The Findings Committee recommended the establishment of a Temporary Committee on Report and Recommendations to be constituted by Lewis Hanke, Director of the Hispanic Foundation of the Library of Congress; Waldo G. Leland, Director of the American Council of Learned Societies; and Charles F. Gosnell, Assistant Librarian of the Queens College Library. The committee was empowered to increase its membership as needed. It will receive reports from the chairmen of the publishers' and librarians' groups and will prepare a digest of the stenographic transcript of the Conference proceedings, which will be mailed to those attending the Conference and to other interested persons. The committee will consider all recommendations made at the Conference and will study possibilities for the establishment of some form of permanent clearinghouse or similar organization to be used by publishers and libraries. The Findings Committee recommended that a vote of appreciation and sincere thanks be extended to the Conference host—the Library of Congress, especially to the Hispanic Foundation and the Music Division. Report of the Findings Committee was read by Charles A. Thomson, Assistant Chief of the Division of Cultural Relations of the Department of State, who presided at the final session of the Conference. The report was adopted unanimously by the Conference.

Curtis W. McGraw, Vice President of McGraw-Hill Book Co., read the report of Group I. This group, consisting of general publishers, directors of university presses, representatives of scholarly, literary, technical, trade, and business journals, magazines, and newspapers, reported that:

"There is an increase in study of English, particularly in secondary schools of the other American republics, and a consequent increased interest in American books.

"Some of this increased interest is due to work of inter-American associations, such as the Argentine-North American Cultural Institute and the Brazilian-United States Cultural Association.

"It was suggested that publishers consider establishing permanent book exhibits at such institutes and at certain libraries, and it was questioned as to whether it is best for such institutions to act as sales agents in competition with booksellers.

"Already there is a marked increase in the sale of technical books in English in the other Americas.

"A number of people emphasized the necessity of a reciprocal reduction in the book postage rates, as essential to the interchange of books. The publishers were requested to promote such reductions.

"Credit, exchange, and duty problems were thoroughly discussed. Attention was called to the facilities of the Department of Commerce for obtaining credit reports on accounts in Latin America and information available at the Department of Commerce relating to the preparation of shipments, shipping requirements, legalization of documents, et cetera.

"It was forcibly brought out by those familiar with Latin-American problems that a reduction in the price of books, particularly in the more general fields, was absolutely essential to obtaining wider markets. It was evident that at this time special editions for the Latin-American market are not feasible, but that publishers must offer their books at lower prices than in the United States market in order to stimulate sales in Latin America.

"It was brought out and discussed that the publishers through their new export organization are already in contact with many of the booksellers in the Latin-American market and intend to extend the bookseller contacts throughout the continent. Eventually, it is hoped that an educational market will be developed, as well as a market for translations and sale of rights.

"It was suggested that the publishers of pamphlets for popular distribution in the United States, such as reports of the Foreign Policy Association, as well as magazines and scientific studies, might well be distributed in various circles in Latin America. In this way

a general interest in United States literature would be created.

"It was reported and discussed that in recent years there has been a marked decrease in the teaching of Spanish and Portuguese, as well as other foreign languages, in schools and colleges in the United States, and that, consequently, this condition limits the field for Latin-American publications in the United States.

"It was suggested that good bibliographies of Latin-American books can be obtained from *Revista Iberoamericana*.

"An excellent proposal was made suggesting that some publisher or publishers should produce a cultural history of the Latin-American people, somewhat like Beard's *Rise of American Civilization*.

"Studies were reported concerning Latin-American books translated and printed in the United States and those translated and published from the United States in Latin America.

"Interesting and enlightening reports were made concerning the present copyright situation and status in Latin America, and also concerning the proposed changes in the United States copyright law. It was pointed out that the Latin-American situation was not as dark as originally supposed, is improving, and some protection can even now be had in most of the Latin-American countries. It was also brought out that many of the publishers in the Latin-American countries are well aware of the situation and are working toward improved protection. A statement was read from a Brazilian source concerning the necessity of protecting Latin-American copyrights in the United States. The discussion made clear that the present laws are much more adequate than usually supposed and need to be understood and applied more generally."

Carl H. Milam, Secretary of the American Library Association, read the report of Group II. This group, consisting of representatives of the American Library Association, the Hispanic Foundation of the Library of Congress,

the Columbus Library of the Pan American Union, public and special libraries, recommended that:

"Every encouragement be given to the acquisition by United States libraries of the publications of Latin America to the end that the cultures of the Latin-American countries may become better known in the United States; and to the acquisition by Latin-American libraries and readers of books published in the United States.

"It is essential that one copy of every book currently published in or for the Latin-American republics be made available promptly in at least one library in the United States. The responsibility for achieving this objective would appear to rest primarily on the library agencies of the national government.

"In the field of bibliography, a primary need is for lists of publications issued in each country, with publisher and price. Such bibliographies should be published periodically and as frequently as possible.

"It is important to make every effort to meet the specific needs of scholars and readers in the Latin-American countries and in our own country; the meeting of such needs may be of greater immediate importance than the development of large schemes for cooperation. Many of the needs can probably be met most rapidly through the use of photostats, micro-films, and other similar processes of reproduction.

"For small libraries and general readers there should be prepared suitable purchase lists and reading lists adapted to interests and needs.

"Libraries, both small and large, should prepare themselves at once to meet the demands of the general readers, students, and special groups whose interest in Latin America has been greatly aroused by recent world events.

"Translations from Latin-American literature, admittedly inadequate, may be somewhat increased by the willingness of American publishers to operate in a marginal market. It would be desirable to increase the number of translations available by volunteer translation work and nonprofit small edition publication in typescript.

"Encourage and facilitate the publication and distribution in the United States of books about great personalities and important events in the cultural history of Latin America.

"Libraries should make available their facilities for exhibits, talks, lectures, and discussions which will assist their readers to become better acquainted with the cultural achievements of the Latin-American republics.

"The acquisition of books and periodicals by exchange is to be encouraged.

"This group believes that the interchange of publications should be accompanied by an interchange also of librarians, publishers, and others who deal with books, and that the need and opportunities for such interchange be brought to the attention of those who are in a position to assist.

"That the exchange of students, teachers, and professors in accord with the agreement of the State Department be brought to the attention of library school directors so that librarians and students of library science may be included in the panel for each.

"American residents in Latin-American countries should be encouraged and assisted to establish and make collections of books published in the United States and services similar to those rendered by public libraries in the United States for the use of American residents or anyone else who is interested in any aspect of United States culture."

John G. Paine, General Manager of the American Society of Composers, Authors, and Publishers, suggested that the movement toward inter-American understanding should go farther than the mere study of the culture of the other American republics. "To really understand our neighbors to the south," Mr. Paine said, "we must become exposed to the emotional forces which color their personalities. They in turn must become exposed to the spiritual forces that make us what we are. This, to me, is the exchange of true culture."

Ben M. Cherrington, Chief of the Division of Cultural Relations of the Department of State, in bringing the session to a close, expressed the appreciation of the Department

for the large attendance at the Conference. "The enthusiasm shown at this and at earlier conferences," Dr. Cherrington said, "clearly indicates the desire of the American people to forge new frontiers of friendship. This impression is strengthened by the enthusiasm of those who, returning from the other American republics, tell us of the ever-increasing friendship for us found there. We have much to share with each other. One need only live in the other Americas but a short time to realize what of their culture we want and need. There one will find that the amenities of living come first in the hierarchy of life. They

have mastered in such a beautiful way a mode of living we might well emulate.

"Our duty," Dr. Cherrington continued, "is to cherish and nurture the best that is our cultural heritage. In the process of sharing, the plans of effecting programs of interchange rightfully resides in private initiative. The sphere of your Government in these plans is merely that it lend its good offices when it may be of assistance in any appropriate way. Our concept of culture is that it is universal and therefore its promotion must spring from the desires of peoples and not as an instrument of policy of the governing body of any particular state."

♦ ♦ ♦ ♦ ♦

FIRST MEETING OF THE FINANCE MINISTERS OF THE AMERICAN REPUBLICS AT GUATEMALA

Final Act of the Meeting

[Released to the press November 28]

Text of the Final Act:

The Governments of the American Republics, at the invitation of the Government of Guatemala, and in accordance with recommendation No. LXIV of the VIII International American Conference at Lima, accredited the Delegations shown below, said Delegations having met in the City of Guatemala, Republic of Guatemala, from November fourteenth to November twenty-first in the year one thousand nine hundred and thirty-nine:

Argentina

H. E. Doctor Héctor Ghiraldo, Representative of the Ministry of Finance

Bolivia

Honorable Enrique Töpke, Delegate Observer

Brazil

H. E. Doctor Manuel César de Góes Monteiro, Representative of the Ministry of Finance

Colombia

H. E. Doctor Jorge Soto del Corral, Representative of the Ministry of Finance

Costa Rica

H. E. Licenciado Everardo Gómez Rojas, Minister of Finance

H. E. Rafael Castro Quezada, Delegate

Cuba

H. E. Engineer Eduardo Montoulieu, Representative of the Ministry of Finance

Chile

H. E. Fernando Maira Castellón, Representative of the Ministry of Finance

H. E. Caspar Soto Mayer, Representative of the Ministry of Finance

Dominican Republic

H. E. Nicolás Vega, Representative of the Ministry of Finance

Ecuador

H. E. Doctor César D. Andrade, Minister of Finance

El Salvador

H. E. Doctor Juan Ernesto Vásquez, Representative of the Ministry of Finance

H. E. Doctor Rafael Reyes, Representative of the Ministry of Finance

United States of America

H. E. Herbert E. Gaston, Representative of the
Ministry of Finance
Hon. Laurence Duggan, Assistant
Hon. Howard H. Tewksbury, Assistant
Hon. Joseph P. Cotton, Jr., Assistant
Hon. Simon Hanson, Assistant
Hon. Emilio G. Collado, Assistant
Hon. Orvis A. Schmidt, Assistant

Guatemala

H. E. Licenciado José González Campo, Secretary of Finance

Haiti

H. E. Montrosier Déjean, Minister of Finance
Hon. Joe Pierre Luis, Counsellor
Hon. Marcel Robin, Secretary

Honduras

H. E. Donato Díaz Medina, Representative of the Ministry of Finance

Mexico

H. E. Eduardo Villaseñor, Representative of the Ministry of Finance
Hon. Enrique Sarro, Assistant

Nicaragua

H. E. Doctor J. Jesús Sánchez, Minister of Finance
H. E. Doctor Modesto Armijo Lozano, Delegate

Panama

H. E. José A. Arosemena, Representative of the Ministry of Finance
Hon. Guillermo Arango, Assistant

Peru

H. E. Doctor Juan Mendoza Almenara, Representative of the Ministry of Finance

Uruguay

H. E. José Richling, Representative of the Ministry of Finance

Venezuela

H. E. Doctor Cristóbal L. Mendoza, Representative of the Ministry of Finance.

SUMMARY OF PROCEEDINGS

Preliminary

a) At the preliminary session, held on November 11, the By-laws of the Meeting were approved, and the agenda was read.

b) At this session the following Commissions were appointed:

1) ON CREDENTIALS:

H. E. Lic. Everardo Gómez Rojas (Costa Rica).
H. E. Fernando Maira Castellón (Chile).
H. E. Eduardo Villaseñor (Mexico).

2) ON COORDINATION:

H. E. Manuel Cesar de Góes Monteiro (Brazil).
H. E. Herbert E. Gaston (United States of America).
H. E. Montrosier Déjean (Haiti).
H. E. Doctor J. Jesús Sánchez (Nicaragua).

3) BANKING:

Argentina
Brazil
Bolivia
El Salvador
Haiti
Mexico
Uruguay

4) MONETARY:

Costa Rica
Colombia
Chile
Dominican Republic
Honduras
Nicaragua
Peru

5) EXCHANGE:

Cuba
Ecuador
United States
Guatemala
Panama
Venezuela

INAUGURATION

The Minister of Finance for Guatemala, His Excellency José González Campo, solemnly inaugurated the Meeting on the fourteenth day of November in the year one thousand, nine hundred and thirty-nine, at 10 a. m., in the Hall of the National Legislative Assembly. At this session, Licenciado González Campo was elected Permanent President.

Licenciado Ramiro Fernández acted as Secretary-General to the Meeting.

RESOLUTIONS AND RECOMMENDATIONS OF THE MEETING

As a result of the labors of the different Committees, the First Meeting of Finance Ministers of the American Republics approved, at Plenary Sessions held on November 18 and 20 in the year one thousand, nine hundred and thirty-nine, the following resolutions and recommendations:

I

THE FIRST MEETING OF FINANCE MINISTERS OF THE AMERICAN REPUBLICS

Resolves:

to express to the people of Ecuador, to their Illustrious Government and to their Distinguished Representative at this gathering, H. E. César D. Andrade, the profound sorrow and deep sympathy felt on learning of the death of His Excellency Doctor Aurelio Mosquera Narvaez, President of the Republic of Ecuador.

II

THE FIRST MEETING OF FINANCE MINISTERS OF THE AMERICAN REPUBLICS

Resolves:

to convey to the people of Venezuela, to their Illustrious Government and to their Distinguished Representative at this Conference, H. E. Doctor Cristobal L. Mendoza, an expression of its sincere condolences and heartfelt sympathy in connection with the regrettable fire that occurred on Tuesday, November 14, on

the shores of Lake Maracaibo and that caused considerable loss of life among the inhabitants of the town of Lagunillas.

III

THE FIRST MEETING OF FINANCE MINISTERS OF THE AMERICAN REPUBLICS

CONSIDERING:

that it is to the mutual and special interest of all the Nations of America to adopt a uniform nomenclature in their Customs tariffs and a common system of Customs procedure for the development of inter-American trade

Resolves:

1. To request that the Pan American Union complete the work already begun of investigating and reporting on the adoption by all the Nations of the Americas of the various customs recommendations approved at former Pan American Conferences, in order that a memorandum on the matter may be transmitted to all the American Governments.

2. To request that the Pan American Union appoint a Committee of five experts, in which all the official languages of America are to be represented, to undertake:

a) the preparation of a draft proposal for uniform customs nomenclature such as may be acceptable to all the American nations, taking into account the Laws, Regulations and Customs Rulings of said nations, as well as any other reports or suggestions from any of the American nations, and any proposals for uniform customs nomenclature already in existence. The Pan American Union shall submit this draft for the study and consideration of the American Governments and shall convey to them all observations made thereon, likewise requesting comment on such observations to be submitted in turn to all the governments. The Pan American Union shall prepare a final draft, embodying such observations from the various nations as may have received the approval of a majority, and shall submit it for the final consideration of all the Governments of the Americas.

b) The drafting of a code of Customs Procedure, designed to attain the objectives already indicated, to be submitted to the American Governments for analysis and approval in the manner described in the foregoing paragraph.

3. Pursuant to the ends described under the preceding number, it is recommended that each of the Governments of the Americas transmit to the remaining American Governments, through the medium of the Pan American Union, any resolutions adopted at any time by any of the nations of America in regional agreements regarding customs matters.

IV

THE FIRST MEETING OF FINANCE MINISTERS OF THE AMERICAN REPUBLICS

CONSIDERING:

that it is highly desirable to extend and strengthen exchange relations between all the Nations of the Americas, with a view to a greater stability of the value of the American currencies

Resolves:

That the Pan American Union undertake, in accordance with investigations and suggestions which it will previously request of the Finance Ministries and Central Banks of the nations of America, to present to the American Governments a draft proposal for the establishment of an inter-American exchange system to facilitate in accordance with sound principles the regularization and availability of foreign exchange as between all the Nations of America.

V

THE FIRST MEETING OF MINISTERS OF FINANCE OF THE AMERICAN REPUBLICS

CONSIDERING:

that contraband activities are one of the principal sources of difficulty in the development of international trade, especially in neighboring countries or in those that, while

not adjoining, may be exposed by geographical considerations to illicit traffic

Resolves:

To recommend that the American Governments enter into regional agreements for the suppression of smuggling, communicating the texts of such agreements to all other American nations through the medium of the Pan American Union.

VI

THE FIRST MEETING OF FINANCE MINISTERS OF THE AMERICAN REPUBLICS

CONSIDERING:

that it is to the mutual and special interest of all the nations of the Americas to have available statistics of an economic and financial character relating to the American Nations

Resolves:

1. To recommend that the American Nations exchange, through the medium of the Pan American Union, all statistics of an economic and financial nature, especially those relating to their imports and exports; their revenues specified by classes; their disbursements specified by government agencies; their balances of international payments; their budgets; fluctuations in rates of exchange with respect to the other American currencies quoted on their markets; their maritime traffic; their local and international freight rates; and, generally, all other statistical information that may lead to a better understanding of current economic conditions, such as agricultural and industrial production, etc.

2. To recommend that the Governments of the Americas adopt a uniform system for the preparation of economic and financial statistics. To this end, it is recommended that the American Governments forward to the Pan American Union reports on the statistical systems now in use, so that the Union may proceed to draw up uniform models adaptable as far as possible to those now in use and submit them to the consideration of the interested governments.

VII

THE FIRST MEETING OF FINANCE MINISTERS OF THE
AMERICAN REPUBLICS

CONSIDERING:

that it is to the mutual and special interest of the different Governments of the Americas to be informed of the changes which are being introduced by any nation in its fiscal organization or tax system

Resolves:

To recommend to the different American Governments that each shall communicate to the others, and to the Pan American Union, all legislative and administrative measures which modify, wholly or in part, its existing fiscal system or method of taxation, as well as all changes made in its Customs tariffs or fiscal procedure, or pertaining to the creation and operation of agencies for fiscal control. It is especially recommended that bulletins be published from time to time, reporting on the existing fiscal system and procedure, together with modifications introduced therein.

VIII

THE FIRST MEETING OF FINANCE MINISTERS OF THE
AMERICAN REPUBLICS*Declares:*

That the existence and operation of a similar Monetary Standard throughout the Republics of this Continent, as a point of reference in the alignment of exchange rates is highly beneficial for the development of inter-American economic relations.

IX

THE FIRST MEETING OF FINANCE MINISTERS OF THE
AMERICAN REPUBLICS

Considers that the principal and most useful result of its labors has been the mutual exchange of information and impressions on the monetary, banking and exchange structures of the American Republics.

X

THE FIRST MEETING OF FINANCE MINISTERS OF THE
AMERICAN REPUBLICS

Considers as of great importance the interchange of all information relating to the organization and operation of institutions of social security having direct relations with the development of the economy of the nations of the Americas.

XI

THE FIRST MEETING OF FINANCE MINISTERS OF THE
AMERICAN REPUBLICS*Declares:*

That as a medium for promoting the sound economic development of the American Republics, and of creating conditions which make possible the stabilization, both internal and external, of the respective currencies, it is desirable that the necessary capital be invested for the promotion of the agricultural and industrial development of the various countries in this hemisphere.

XII

THE FIRST MEETING OF FINANCE MINISTERS OF THE
AMERICAN REPUBLICS

CONSIDERING:

That the idea of creating a Central Inter-American Organization to act as a Clearing House and as an Agency for Investments, presents delicate technical aspects and gives rise to problems involving the harmonizing of the different interests of the American nations

Resolves:

To request that the Inter-American Economic and Financial Advisory Committee, taking into consideration the conditions common to all American countries, as well as conditions peculiar to each, investigate the desirability and possibility of creating the said Institution, and if possible, present its findings two months prior

to the next Meeting of Finance Ministers at the latest.

XIII

THE FIRST MEETING OF FINANCE MINISTERS OF THE AMERICAN REPUBLICS

CONSIDERING:

that it is to the special interest of the American Republics to prepare American Producers' Agreements;

CONSIDERING:

that these agreements would serve to regulate the situation as regards the production and exportation of those articles that are of interest to the life of groups of continental nations

Resolves:

To recommend to the Inter-American Economic and Financial Advisory Committee the possibility and desirability of calling regional meetings between American producers of determined articles that affect the life of the interested nations, for the purpose of studying problems relating to the production and exportation of such products, taking into consideration the existence and functions of organizations and institutions already established and tending toward the same objectives.

XIV

THE FIRST MEETING OF FINANCE MINISTERS OF THE AMERICAN REPUBLICS

In order to secure better coordination in Pan American activities

Resolves:

To request that the Inter-American Economic and Financial Advisory Committee in Washington take effective action aimed at realizing the desire for closer collaboration in the economic relations of the American Republics.

XV

THE FIRST MEETING OF FINANCE MINISTERS OF THE AMERICAN REPUBLICS

Resolves:

To express its sincere gratitude to His Excellency the President of the Republic of Guatemala, General Jorge Ubico, to the Government and people of Guatemala, for the splendid and courteous manner in which the delegations to this Conference have been received and entertained.

To convey to His Excellency Licenciado José González Campo, Minister of Finance of Guatemala and President of the Conference, its recognition of his efficiency and foresight as revealed in the preparatory arrangements as well as of the tact and discretion with which he directed its labors, thus contributing substantially to its success, and

To record a vote of congratulation to the Secretary-General, Licenciado don Ramiro Fernández and to the officers and employees who have worked in the Conference, in appreciation of the efficient and brilliant manner in which they have fulfilled their duties.

XVI

THE FIRST MEETING OF FINANCE MINISTERS OF THE AMERICAN REPUBLICS

Resolves:

1. That the next Meeting of Finance Ministers of the American Republics be held in the City of Quito, Ecuador.

2. That the date of convocation of said meeting be decided by agreement between the Government of Ecuador and the Board of Directors of the Pan American Union.

In token whereof the Finance Ministers of the American Republics or their Representatives, do sign and seal this Final Act.

Done in Guatemala, Republic of Guatemala, C. A., this 21st day of November, in the year One thousand, nine hundred and thirty-nine, with versions in Spanish, English, Portuguese

and French, to be deposited in the files of the Pan American Union, to which they shall be transmitted by the Ministry of Foreign Relations of Guatemala.

[Here follow signatures of delegates.]

♦ ♦ ♦

ADJUDICATION OF AGRARIAN CLAIMS IN MEXICO

[Released to the press November 30]

In a note addressed yesterday by the Secretary of State of the United States to the Mexican Ambassador in Washington, it was suggested that the period for the adjudication of agrarian claims of American citizens whose farm properties in Mexico have been expropriated since August 30, 1927, be extended to May 31, 1940. In a note dated today, the Mexican Ambassador states that the Mexican Government agrees to this extension.

The American Section of the Agrarian Claims Commission, United States and Mexico, has practically completed its examination of the claims which it has received, and it is believed that adjudication of the claims can be completed within the period provided for in the exchange of notes above-mentioned.

♦ ♦ ♦

INTER-AMERICAN FINANCIAL AND ECONOMIC ADVISORY COMMITTEE

[Released to the press November 27]

Following is a list of guests attending the dinner given by the Under Secretary of State, Mr. Sumner Welles, in honor of the Inter-American Financial and Economic Advisory Committee, at the Sulgrave Club, Washington, D. C., November 27, 1939:

Argentina: Señor Don Ricardo Bunge, Counselor of the Argentine Embassy; Bolivia: the Honorable Señor Don Carlos Guachalla; Brazil: Mr. Eurico Pentead, Financial Attaché to the Brazilian Embassy; Chile: Señor Don Carlos Davila; Colombia: the Honorable

Señor Dr. Don Esteban Jaramillo; Costa Rica: the Honorable Señor Don Ricardo Castro Beeche, the Minister of Costa Rica; Cuba: Señor Dr. Don Ramiro Guerra y Sánchez; Dominican Republic: the Honorable Señor Don Andrés Pastoriza, the Minister of the Dominican Republic; Ecuador: Señor Dr. Don Eduardo Salazar, Financial Counselor of the Embassy of Ecuador; El Salvador: the Honorable Señor Dr. Don Hector David Castro, the Minister of El Salvador; Guatemala: Señor Dr. Don Enrique López-Herrarte, First Secretary of the Legation of Guatemala; Haiti: the Honorable Fernand Dennis; Honduras: the Honorable Señor Dr. Don Julian R. Caceres, the Minister of Honduras; Mexico: the Honorable Señor Lic. Don Antonio Espinosa de los Monteros; Panama: His Excellency Señor Dr. Don Augusto S. Boyd, the Ambassador of Panama; Paraguay: the Honorable Señor Dr. Don Horacio A. Fernández, the Minister of Paraguay; Peru: the Honorable Señor Don Pedro Larrañaga Montero; Uruguay: Señor Dr. Don Santiago Rivas, Consul General of Uruguay at New York; Venezuela: the Honorable Señor Don Gustavo Herrera.

His Excellency Señor Dr. Don Manuel Bianchi; Mr. Guillermo Suro, Secretary General of the Committee; the Honorable Henry Morgenthau, Jr., the Secretary of the Treasury; the Honorable Henry A. Wallace, the Secretary of Agriculture; the Honorable Sol Bloom, House of Representatives; the Honorable Edward J. Noble, the Under Secretary of Commerce; the Honorable George S. Messersmith, Assistant Secretary of State; the Honorable Adolf A. Berle, Jr., Assistant Secretary of State; the Honorable George T. Summerlin, the Chief of Protocol; Mr. Ernest G. Draper, Board of Governors of the Federal Reserve System; Mr. Laurence Duggan, Chief of the Division of the American Republics, Department of State; Dr. Herbert Fels, Adviser on International Economic Affairs, Department of State; the Honorable Leo S. Rowe, Director General, Pan American Union; Dr. Pedro de Alba, Assistant Director, Pan American Union; Rear Admiral Emory S. Land, Chairman, United States Maritime Commission; the Honorable Robert H. Hinckley, Chairman, Civil Aeronautics Authority; Mr. Warren Lee Pierson, President, Export-Import Bank; Mr. Ellis O. Briggs, Assistant Chief of the Division of the American Republics, Department of State; Mr. Leroy D. Stinebower, Office of the Adviser on International Economic Affairs, Department of State; Mr. William E. Pulliam; Mr. William A. Wieland; Mr. H. C. Montee; Mr. Leon Pearson; Mr. Edward B. Lockett.

FIFTIETH ANNIVERSARY OF THE PROCLAMATION OF THE BRAZILIAN REPUBLIC

[Released to the press November 27]

Following is the text of a message from President Roosevelt to the President of Brazil (Getulio Vargas):

"THE WHITE HOUSE,
November 27, 1939.

"I deeply appreciate Your Excellency's generous message written during a flight in one of the airplanes of this Government which recently visited Rio de Janeiro.

"It was a great pleasure for the Government of the United States to participate in the celebration of the fiftieth anniversary of the establishment of the Republic of Brazil, and I have learned with sincere gratification of the spontaneous and warm hospitality with which the United States aviators were received in Your Excellency's country. We look forward with satisfaction to the forthcoming visit of the distinguished Brazilian officers who will return to the United States with the flight of airplanes.

"Please accept my warmest personal good wishes.

FRANKLIN D. ROOSEVELT"

Commercial Policy

STATEMENT BY THE SECRETARY OF STATE REGARDING ADDRESS OF THE PRIME MINISTER OF GREAT BRITAIN

[Released to the press November 27]

At the press conference at the Department of State November 27, the Secretary of State was asked for comment upon the radio address of Prime Minister Neville Chamberlain on November 26. The Secretary proceeded to comment as follows:

"I was gratified but not surprised to find that Mr. Chamberlain should emphasize so strongly the idea that 'there can be no lasting peace unless there is a full and lasting trade between nations' and that 'only by an increased interchange of goods and services can the standard of living be improved.'

"The trade-agreements program has been developed and carried forward by us in the course of our judgment that it was essential to bring back balance and prosperity to American agriculture and industry and thus to enable our farmers to exist satisfactorily and our workers to find steady employment. This is our view of the permanent national interest. If this point

of view is put aside and our trade policy is again to be determined solely by the short-sighted and mistaken claims of particular interests determined to win a completely favored position for themselves, we will fall again into the disorderly depression that followed the Hawley-Smoot tariff.

"Along with this compelling reason in support of the trade-agreements program has also been the belief in the truth of the generally recognized judgments expressed by Mr. Chamberlain as well as by the heads of many other governments—that the reestablishment of mutually beneficial international commerce is an essential basis of enduring peace and prosperity for all nations. I can only hope most earnestly that when the time comes to give these economic ideas broad and effective application, our people will be sufficiently united in support to enable this country to make an appropriate contribution, which is so important to every phase of our future welfare."

THE PRESENT NEED FOR A SANE COMMERCIAL POLICY

Address by Assistant Secretary Grady

[Released to the press November 27]

Americans in all sections of the country, in our cities and on our farms, in our offices and our factories, toiling in our cotton, wheat, and corn fields, in our mines and on our railroads, all are coming to realize that the United States is one of a group of nations which must seek their livelihood in an international community. Neither the United States nor any other country can draw apart from this world community and yet hope to maintain its present standard of living.

The world's resources are not equally distributed. Some countries possess great surpluses of raw materials but are lacking in capital equipment and skilled labor. Other countries are well adapted for carrying on industrial production but lack necessary raw materials. Even the United States with its unparalleled abundance of natural resources cannot hope to be self-sufficient.

The raw-material-producing countries differ widely in respect of the kinds of raw materials which they are able to supply, and industrial countries differ widely in respect of the types of goods which they are best equipped to manufacture. Even between industrialized countries there is close interdependence; the greatest development of mutually profitable international commerce has been between such countries.

To fulfill the needs of this interdependence of nations there has developed a mechanism of international economic relations of which the domestic economy of each country forms a functioning part. The exchange of commodities produced by countries rich in raw materials for articles manufactured by industrial countries illustrates the economic interdependence of nations, just as the exchange of the products grown on our farms for the factory

products of our cities illustrates the economic interdependence of the various sections of the United States.

Under normal conditions of peace, economic conditions in a country are affected to an important extent by the policies and actions of other countries. In time of war, however, changes occur in the economies of the participants which are relatively sudden and violent. Such changes have an especially far-reaching and disturbing effect on the economic structure of the entire world.

Under normal conditions, the international mechanism of trade and capital movements operates to effect adjustments; under wartime conditions, however, the changes which occur are even more serious in their consequences because of a partial break-down of this mechanism. The economic problems of war are not confined to the belligerents alone; they burden the international community as a whole; no nation escapes unaffected.

My discussion this evening of our present need of a sane commercial policy as embodied in the trade-agreements program is based, first, upon the fact that the world is closely bound together commercially, financially, and industrially, and, second, upon the significance of that fact in the light of the present conflict in Europe. In order, however, to appreciate the need of the trade-agreements program at this juncture of world affairs, it is necessary that we understand the bearing of foreign trade upon a prosperous domestic market and the contribution which this program has made to American prosperity by helping to restore and expand foreign markets for our products.

The most distinguishing characteristic of the depression through which this country passed between 1930 and 1932 was the sudden inability of manufacturers, farmers, and merchants to find buyers for the goods they had to sell and their consequent inability to afford the goods they had been accustomed to purchase. The

* Delivered in the National Radio Forum of the Washington *Evening Star*, over the blue network of the National Broadcasting Co., November 27, 1939.

stagnation of domestic markets and interruption of the steady flow of production and consumption brought in its wake new unemployment, increased stagnation of business, and general pessimism regarding the future.

In the course of the depression years of 1930, 1931, and 1932, we learned once and for all that the great domestic market, in which we had come to place almost unbounded confidence, was capable, like Alice in Wonderland, of rapid shrinkage as well as growth. Instead of being destined to grow without interruption, as many had come to suppose, the market proved to be capable of stable activity and expansion only so long as it was able to draw nourishment from all accustomed forms of economic activity. In 1930 and after, this was not the case, and the market succumbed from a lack of certain essential stimulants, one of which was the impetus given to domestic trade by a normal flow of foreign trade.

In 1930, the Hawley-Smoot tariff was enacted as if on the assumption that our 9-billion-dollar foreign trade was a branch of the economy not essential to the prosperity of our domestic market—an assumption which proved to be tragically wrong. The Hawley-Smoot Tariff Act raised barriers to nearly all foreign goods, including those only remotely competitive with our products, and our imports were sharply and suddenly curtailed to a fraction of what they had been. As a result, foreign customers, for lack of purchasing power, were compelled to forego accustomed purchases of basic American export products such as cotton, tobacco, lard, tractors, and machinery.

But men thrown out of work by the loss of export business could no longer buy the same quantities of goods they needed; domestic producers, despite their increased protection against foreign competition, found fewer and fewer buyers. Practically the whole domestic market was theirs, but it was shrinking at an alarming rate before their eyes. The result of all this was, of course, net loss for everyone.

Since 1934, we have been applying a remedy designed to quicken the flow of domestic busi-

ness and so to restore Alice to her normal size and growth. Through the trade-agreements program, authorized by Congress in 1934 and extended in 1937, we are reducing some of the artificial barriers to foreign trade which have grown up both at home and abroad as a result of world-wide competition in import restrictions. We are concluding agreements with foreign countries like-minded in this purpose, by which they agree to lower tariffs, enlarge quotas, and remove discriminations against American goods, in return for which we also make concessions to facilitate the importation of some of their products.

Each concession gained from foreign countries creates an opportunity for American producers to increase exports—men are put to work in American factories, or the market for some agricultural commodity is strengthened. In either case, income is created, and the American workingman or farmer, when he goes to market, has more money to spend. His purchases stimulate business in many other industries, some of which may seem remote from foreign trade. Suppose he decided this year to buy a turkey for Thanksgiving; suppose he found that it was high time to replace an old radio, or that he finally decided to have his house repainted. Each purchase puts other men to work and creates a better market for domestic goods and services. This is the essential purpose of the trade-agreements program.

The trade-agreements program cultivates foreign markets for American products because the recovery of these markets is essential to the restoration of industries which produce for the home market as well as the prosperity of those which produce for the foreign market.

The index of the volume of our export trade fell from a base figure of 100 in 1929 to the low point of 52.3 in 1932, or nearly 48 percent. During the same period, the index of industrial production fell 47 percent; employment, as measured on a man-hour basis, fell 55 percent; and prices of finished products and raw materials declined 26 percent and 43.5 percent, respectively.

Similar evidence is to be found in the course of economic events in the United States during the 8-year period from 1922 to 1929, which was for the most part a relatively normal period, not affected by the abnormal factors of a world upheaval as was the period which followed. The period from 1922 to 1929 was marked in the United States by three distinct but minor fluctuations in economic activity which were national rather than international in scope. As measured by the index of manufacturing, the economic activity of the Nation fell to its lowest points of this period in 1924 and 1927 and experienced its greatest annual increases in 1923, 1925, and 1928-1929, the increase in 1929 being the same as in 1928. The years in which manufacturing activity increased the most, that is, in 1923, 1925, and 1928, were also the years in which occurred the greatest increases in our exports of finished manufactures. The years of decline in manufacturing activity, which were 1924 and 1927, were also the years of slower growth in these exports.

It is no mere coincidence that there has been a close correspondence between movements in exports and business conditions in the United States over a long period of years. There is an important connection between activity in production for export and production for the home market.

A few points may be worth mentioning to indicate that this connection is far more important and fundamental than might be suspected from the percentage of total output of domestic production which is exported.

In the first place, the percentage of total national production which is exported fails to indicate the extent to which many industries having exportable surpluses are dependent on foreign markets. For instance, the percentage of national production exported in 1929 was 55 percent in the case of cotton, 48 percent in the case of lard, 41 percent in the case of tobacco, 36 percent in the case of refined copper, 30 percent in the case of office appliances, 25 percent in the case of agricultural machinery, and from 8 to 51 percent in the case of certain petroleum products. Agricultural industries with large

exportable surpluses are a basic factor in the economic life of large sections of the United States. An increase or decrease in exports may mean to these sections prosperity or hard times. Moreover, some of the manufacturing industries constituting the chief mainstays in our industrial structure are export industries. A decrease or increase in their foreign markets affects the entire industrial welfare of the Nation.

Furthermore, the loss of our foreign markets would mean a far greater loss than that represented by the percentage of our total production which is exported, for a loss of foreign markets would also result in curtailment of the domestic market. A part of the production for domestic consumption is dependent on the purchases of those industries and their workers who are engaged in supplying goods for the export trade. Nor would the decrease in domestic business activity and employment resulting from export losses cease at that point. It would continue the cumulative effect to further stages of economic depression. Presumably a new equilibrium in the domestic economy would eventually be reached, but only at the cost of painful adjustments.

Another important aspect of the bearing of export trade on domestic economy involves the possible effects of export sales on the domestic price structure. Foreign sales give rise to claims for payment from abroad. These claims, when liquidated at the domestic banks, may result in an increase in the volume or circulation of money at home, thus tending to cause a rise in the general level of domestic prices and thereby stimulating business activity.

Increases in export trade stimulate domestic activity. Under the trade-agreements program our exports have increased. Although it is always difficult to isolate the effects of any single factor where so many are operative, we have conclusive evidence to show that our trade has improved faster under the agreements than would otherwise have been the case.

In 1934 and 1935, which may be considered as substantially preagreement years, exports from the United States averaged 2.2 billion

dollars. In 1937 and 1938, with 17 agreements in effect for most of the period, exports averaged 3.2 billion dollars. It is significant that during the postagreement period, 1937-38, exports from the United States to countries with which reciprocal trade agreements were in operation showed an increase of 61.2 percent against an increase of 37.9 percent in exports to non-trade-agreement countries.

It is significant, moreover, not only that exports from the United States to the trade-agreement countries have gained relatively more than exports to non-trade-agreement countries, but also that the agreement countries have generally increased their imports of American products more than they have increased their imports of the products of other countries. For example, in the 3 years 1936-38 of the first agreement with Canada, that country's imports from the United States averaged 42 percent greater than in 1934-35, compared with an average gain of 22 percent in Canadian imports from other countries.

Total Canadian imports from the United States increased from \$309,000,000 in 1935 to \$424,000,000 in 1938, a gain of 37 percent. Of importance is the fact that imports from the United States of products on which Canada granted duty reductions showed an increase of 65 percent in 1938 over 1935. On an average for the 3 years of the agreement, 1936-38, Canadian imports from the United States were 39 percent above the 1935 imports.

Cuban purchases from the United States have more than doubled since the agreement with Cuba went into effect. In 1936, 1937, and 1938, Cuban imports from the United States were valued at \$66,000,000, at \$89,000,000 and at \$75,000,000, respectively, representing gains of 193, 292, and 231 percent over 1933. During the same years Cuban imports from other countries were only 87, 107, and 57 percent greater than in 1933.

Altogether, in the 22 trade agreements concluded thus far, the foreign governments concerned have reduced duties, agreed to bind the existing duties or the free entry, or have granted other concessions such as enlarged

quotas, on hundreds of commodities which we export.

On the basis of 1937 data, foreign countries with which trade agreements had been concluded prior to November 1, 1939, granted concessions of some kind on about three-quarters of their total imports from the United States of agricultural products and on almost one-half of their total imports from the United States of nonagricultural products. For all products combined, 56 percent of these agreement-countries' imports from the United States have been the subject of concessions to the United States.

Hundreds of concessions in one form or another have been obtained for American farm products in the agreements thus far concluded. Let me illustrate by describing concessions and increases in our foreign sales of meat products.

Seventeen countries, plus many British colonies, have granted reductions, quotas, or bindings on various American meat or other animal products. Canada has made reductions ranging from 12 to 75 percent on fresh meats, bacon, ham, lard, cured meats, extracts, and other meat products. Canadian imports of animal products from the United States increased in 1938 over 1935 by nearly one and one-quarter million dollars. Again, the United Kingdom, which in 1937 purchased more than half of total United States exports of lard, removed its 10-percent duty on this product and established a liberal quota for hams. The United Kingdom imports of American lard and hams for the first 6 months of the agreement were the greatest since 1935. Cuba, the second most important foreign market for American lard, reduced its duty by successive stages from a rate equivalent to 9.6 cents a pound to 1.5 cents. Cuban lard imports from the United States increased from \$500,000 in 1933 to \$4,000,000 in 1938.

Concessions have also been obtained on a wide range of American manufactured products. Among the important groups of commodities benefited are iron and steel semimanufactures, automotive products, electrical apparatus, industrial, agricultural, and business machinery,

rubber products, chemicals, paints and allied products, hides and leather products, certain textiles, and various American specialty products.

Belgian imports for consumption of automobile parts for assembly totaled \$8,000,000 in 1938 as compared with \$2,700,000 during 1934. Canada's imports of passenger automobiles and chassis increased between 1935 and 1938 from \$1,700,000 to \$9,200,000.

These and many other increases in the foreign trade of the United States with trade-agreement countries have not only increased the prosperity of those portions of our agriculture, industry, and labor producing goods for export, but have also, by increasing employment and consumer purchasing power, benefited producers and workers engaged in supplying the domestic market.

But while our export trade is a very important factor in our domestic economic activity, so that prosperous exports are an essential element in a prosperous general business situation at home, we must not permit an undue concentration in the export side of foreign trade to obscure the larger significance of our trade with the world. The contribution of our foreign trade to our economic welfare is in the last analysis similar to the contribution of trade between regions within the country; it makes possible a higher standard of living than would be the case without this exchange of products.

Our foreign trade enables us to concentrate and specialize somewhat more than would otherwise be possible in those lines of production in which we are most capable and naturally best endowed. The resulting larger return for our efforts is shared by the consumer and the producer. And by exchanging with other countries the excess of what we produce beyond our own needs, of the things we are most capable and best endowed to produce, we are enabled to enrich our own lives and further raise our own standards.

This fundamental basis of our foreign trade should always be kept in mind, and particularly now when it may seem to be obscured by the distorting effects of warfare in other parts of

the world. Fortunately our country is, I think, more wide awake and informed than it was the last time. It is encouraging to note the widespread degree of caution expressed in business circles against plunging into artificial and ephemeral expansion based on the expectation of belligerent purchases, without due forethought for the aftermath. Let us not allow false hopes, based on such increased export business as may come to us through war-stimulated diversion of trade, to obscure from our vision the real nature of profitable foreign trade and the necessity of pursuing a sane and sound commercial policy which will bear lasting benefits—lasting because of their being mutually profitable and constructive.

Although the war may create a profitable market for some of our products, no one could be so foolish as to imagine that it will provide a lasting basis for prosperity. Far from removing the conditions which have created an urgent necessity for our trade-agreements program, the war will surely create an even more imperative need for agreements between nations providing for the reduction of excessive barriers to trade. When the war is over, we will be faced with the problem of restoring export outlets for many branches of our industry and agriculture whose exports may be curtailed as a result of the war, and of creating opportunities for the opening up of new channels of trade. Whatever the consequences of the war may be, one thing is certain: it will result in serious economic dislocations, and statesmanship of the highest quality will be required to effect the revival of a healthy international economic order.

It is not possible to anticipate exactly how this war will affect our trade. Although the present war resembles in some ways the first World War, there are important differences.

So far as the trade of our own country is concerned, the most conspicuous and probably the most important result of the last war was an enormous increase in our export balance of trade. For the decade before 1914 our exports had exceeded our imports by about half a billion dollars annually, on the average. During

stagnation of domestic markets and interruption of the steady flow of production and consumption brought in its wake new unemployment, increased stagnation of business, and general pessimism regarding the future.

In the course of the depression years of 1930, 1931, and 1932, we learned once and for all that the great domestic market, in which we had come to place almost unbounded confidence, was capable, like Alice in Wonderland, of rapid shrinkage as well as growth. Instead of being destined to grow without interruption, as many had come to suppose, the market proved to be capable of stable activity and expansion only so long as it was able to draw nourishment from all accustomed forms of economic activity. In 1930 and after, this was not the case, and the market succumbed from a lack of certain essential stimulants, one of which was the impetus given to domestic trade by a normal flow of foreign trade.

In 1930, the Hawley-Smoot tariff was enacted as if on the assumption that our 9-billion-dollar foreign trade was a branch of the economy not essential to the prosperity of our domestic market—an assumption which proved to be tragically wrong. The Hawley-Smoot Tariff Act raised barriers to nearly all foreign goods, including those only remotely competitive with our products, and our imports were sharply and suddenly curtailed to a fraction of what they had been. As a result, foreign customers, for lack of purchasing power, were compelled to forego accustomed purchases of basic American export products such as cotton, tobacco, lard, tractors, and machinery.

But men thrown out of work by the loss of export business could no longer buy the same quantities of goods they needed; domestic producers, despite their increased protection against foreign competition, found fewer and fewer buyers. Practically the whole domestic market was theirs, but it was shrinking at an alarming rate before their eyes. The result of all this was, of course, net loss for everyone.

Since 1934, we have been applying a remedy designed to quicken the flow of domestic busi-

ness and so to restore Alice to her normal size and growth. Through the trade-agreements program, authorized by Congress in 1934 and extended in 1937, we are reducing some of the artificial barriers to foreign trade which have grown up both at home and abroad as a result of world-wide competition in import restrictions. We are concluding agreements with foreign countries like-minded in this purpose, by which they agree to lower tariffs, enlarge quotas, and remove discriminations against American goods, in return for which we also make concessions to facilitate the importation of some of their products.

Each concession gained from foreign countries creates an opportunity for American producers to increase exports—men are put to work in American factories, or the market for some agricultural commodity is strengthened. In either case, income is created, and the American workingman or farmer, when he goes to market, has more money to spend. His purchases stimulate business in many other industries, some of which may seem remote from foreign trade. Suppose he decided this year to buy a turkey for Thanksgiving; suppose he found that it was high time to replace an old radio, or that he finally decided to have his house repainted. Each purchase puts other men to work and creates a better market for domestic goods and services. This is the essential purpose of the trade-agreements program.

The trade-agreements program cultivates foreign markets for American products because the recovery of these markets is essential to the restoration of industries which produce for the home market as well as the prosperity of those which produce for the foreign market.

The index of the volume of our export trade fell from a base figure of 100 in 1929 to the low point of 52.3 in 1932, or nearly 48 percent. During the same period, the index of industrial production fell 47 percent; employment, as measured on a man-hour basis, fell 55 percent; and prices of finished products and raw materials declined 26 percent and 43.5 percent, respectively.

Similar evidence is to be found in the course of economic events in the United States during the 8-year period from 1922 to 1929, which was for the most part a relatively normal period, not affected by the abnormal factors of a world upheaval as was the period which followed. The period from 1922 to 1929 was marked in the United States by three distinct but minor fluctuations in economic activity which were national rather than international in scope. As measured by the index of manufacturing, the economic activity of the Nation fell to its lowest points of this period in 1924 and 1927 and experienced its greatest annual increases in 1923, 1925, and 1928-1929, the increase in 1929 being the same as in 1928. The years in which manufacturing activity increased the most, that is, in 1923, 1925, and 1928, were also the years in which occurred the greatest increases in our exports of finished manufactures. The years of decline in manufacturing activity, which were 1924 and 1927, were also the years of slower growth in these exports.

It is no mere coincidence that there has been a close correspondence between movements in exports and business conditions in the United States over a long period of years. There is an important connection between activity in production for export and production for the home market.

A few points may be worth mentioning to indicate that this connection is far more important and fundamental than might be suspected from the percentage of total output of domestic production which is exported.

In the first place, the percentage of total national production which is exported fails to indicate the extent to which many industries having exportable surpluses are dependent on foreign markets. For instance, the percentage of national production exported in 1929 was 55 percent in the case of cotton, 48 percent in the case of lard, 41 percent in the case of tobacco, 36 percent in the case of refined copper, 30 percent in the case of office appliances, 25 percent in the case of agricultural machinery, and from 8 to 51 percent in the case of certain petroleum products. Agricultural industries with large

exportable surpluses are a basic factor in the economic life of large sections of the United States. An increase or decrease in exports may mean to these sections prosperity or hard times. Moreover, some of the manufacturing industries constituting the chief mainstays in our industrial structure are export industries. A decrease or increase in their foreign markets affects the entire industrial welfare of the Nation.

Furthermore, the loss of our foreign markets would mean a far greater loss than that represented by the percentage of our total production which is exported, for a loss of foreign markets would also result in curtailment of the domestic market. A part of the production for domestic consumption is dependent on the purchases of those industries and their workers who are engaged in supplying goods for the export trade. Nor would the decrease in domestic business activity and employment resulting from export losses cease at that point. It would continue the cumulative effect to further stages of economic depression. Presumably a new equilibrium in the domestic economy would eventually be reached, but only at the cost of painful adjustments.

Another important aspect of the bearing of export trade on domestic economy involves the possible effects of export sales on the domestic price structure. Foreign sales give rise to claims for payment from abroad. These claims, when liquidated at the domestic banks, may result in an increase in the volume or circulation of money at home, thus tending to cause a rise in the general level of domestic prices and thereby stimulating business activity.

Increases in export trade stimulate domestic activity. Under the trade-agreements program our exports have increased. Although it is always difficult to isolate the effects of any single factor where so many are operative, we have conclusive evidence to show that our trade has improved faster under the agreements than would otherwise have been the case.

In 1934 and 1935, which may be considered as substantially preagreement years, exports from the United States averaged 2.2 billion

dollars. In 1937 and 1938, with 17 agreements in effect for most of the period, exports averaged 3.2 billion dollars. It is significant that during the postagreement period, 1937-38, exports from the United States to countries with which reciprocal trade agreements were in operation showed an increase of 61.2 percent against an increase of 37.9 percent in exports to non-trade-agreement countries.

It is significant, moreover, not only that exports from the United States to the trade-agreement countries have gained relatively more than exports to non-trade-agreement countries, but also that the agreement countries have generally increased their imports of American products more than they have increased their imports of the products of other countries. For example, in the 3 years 1936-38 of the first agreement with Canada, that country's imports from the United States averaged 42 percent greater than in 1934-35, compared with an average gain of 22 percent in Canadian imports from other countries.

Total Canadian imports from the United States increased from \$309,000,000 in 1935 to \$424,000,000 in 1938, a gain of 37 percent. Of importance is the fact that imports from the United States of products on which Canada granted duty reductions showed an increase of 65 percent in 1938 over 1935. On an average for the 3 years of the agreement, 1936-38, Canadian imports from the United States were 39 percent above the 1935 imports.

Cuban purchases from the United States have more than doubled since the agreement with Cuba went into effect. In 1936, 1937, and 1938, Cuban imports from the United States were valued at \$66,000,000, at \$89,000,000 and at \$75,000,000, respectively, representing gains of 193, 292, and 231 percent over 1933. During the same years Cuban imports from other countries were only 87, 107, and 57 percent greater than in 1933.

Altogether, in the 22 trade agreements concluded thus far, the foreign governments concerned have reduced duties, agreed to bind the existing duties or the free entry, or have granted other concessions such as enlarged

quotas, on hundreds of commodities which we export.

On the basis of 1937 data, foreign countries with which trade agreements had been concluded prior to November 1, 1939, granted concessions of some kind on about three-quarters of their total imports from the United States of agricultural products and on almost one-half of their total imports from the United States of nonagricultural products. For all products combined, 56 percent of these agreement-countries' imports from the United States have been the subject of concessions to the United States.

Hundreds of concessions in one form or another have been obtained for American farm products in the agreements thus far concluded. Let me illustrate by describing concessions and increases in our foreign sales of meat products.

Seventeen countries, plus many British colonies, have granted reductions, quotas, or bindings on various American meat or other animal products. Canada has made reductions ranging from 12 to 75 percent on fresh meats, bacon, ham, lard, cured meats, extracts, and other meat products. Canadian imports of animal products from the United States increased in 1938 over 1935 by nearly one and one-quarter million dollars. Again, the United Kingdom, which in 1937 purchased more than half of total United States exports of lard, removed its 10-percent duty on this product and established a liberal quota for hams. The United Kingdom imports of American lard and hams for the first 6 months of the agreement were the greatest since 1935. Cuba, the second most important foreign market for American lard, reduced its duty by successive stages from a rate equivalent to 9.6 cents a pound to 1.5 cents. Cuban lard imports from the United States increased from \$500,000 in 1933 to \$4,000,000 in 1938.

Concessions have also been obtained on a wide range of American manufactured products. Among the important groups of commodities benefited are iron and steel semimanufactures, automotive products, electrical apparatus, industrial, agricultural, and business machinery,

rubber products, chemicals, paints and allied products, hides and leather products, certain textiles, and various American specialty products.

Belgian imports for consumption of automobile parts for assembly totaled \$8,000,000 in 1938 as compared with \$2,700,000 during 1934. Canada's imports of passenger automobiles and chassis increased between 1935 and 1938 from \$1,700,000 to \$9,200,000.

These and many other increases in the foreign trade of the United States with trade-agreement countries have not only increased the prosperity of those portions of our agriculture, industry, and labor producing goods for export, but have also, by increasing employment and consumer purchasing power, benefited producers and workers engaged in supplying the domestic market.

But while our export trade is a very important factor in our domestic economic activity, so that prosperous exports are an essential element in a prosperous general business situation at home, we must not permit an undue concentration in the export side of foreign trade to obscure the larger significance of our trade with the world. The contribution of our foreign trade to our economic welfare is in the last analysis similar to the contribution of trade between regions within the country; it makes possible a higher standard of living than would be the case without this exchange of products.

Our foreign trade enables us to concentrate and specialize somewhat more than would otherwise be possible in those lines of production in which we are most capable and naturally best endowed. The resulting larger return for our efforts is shared by the consumer and the producer. And by exchanging with other countries the excess of what we produce beyond our own needs, of the things we are most capable and best endowed to produce, we are enabled to enrich our own lives and further raise our own standards.

This fundamental basis of our foreign trade should always be kept in mind, and particularly now when it may seem to be obscured by the distorting effects of warfare in other parts of

the world. Fortunately our country is, I think, more wide awake and informed than it was the last time. It is encouraging to note the widespread degree of caution expressed in business circles against plunging into artificial and ephemeral expansion based on the expectation of belligerent purchases, without due forethought for the aftermath. Let us not allow false hopes, based on such increased export business as may come to us through war-stimulated diversion of trade, to obscure from our vision the real nature of profitable foreign trade and the necessity of pursuing a sane and sound commercial policy which will bear lasting benefits—lasting because of their being mutually profitable and constructive.

Although the war may create a profitable market for some of our products, no one could be so foolish as to imagine that it will provide a lasting basis for prosperity. Far from removing the conditions which have created an urgent necessity for our trade-agreements program, the war will surely create an even more imperative need for agreements between nations providing for the reduction of excessive barriers to trade. When the war is over, we will be faced with the problem of restoring export outlets for many branches of our industry and agriculture whose exports may be curtailed as a result of the war, and of creating opportunities for the opening up of new channels of trade. Whatever the consequences of the war may be, one thing is certain: it will result in serious economic dislocations, and statesmanship of the highest quality will be required to effect the revival of a healthy international economic order.

It is not possible to anticipate exactly how this war will affect our trade. Although the present war resembles in some ways the first World War, there are important differences.

So far as the trade of our own country is concerned, the most conspicuous and probably the most important result of the last war was an enormous increase in our export balance of trade. For the decade before 1914 our exports had exceeded our imports by about half a billion dollars annually, on the average. During

the war and immediately after it, our export surplus increased rapidly, reaching a peak of 4 billion dollars in 1919.

We have no reason to assume that the present war will give rise to such an excess of exports in our foreign trade as resulted from the last war.

Nevertheless, there can be no doubt that our trade will be seriously affected by the war. Some of our trade is being interrupted by blockade. Our trade with the United Kingdom and France is bound to be affected by the economic changes in those countries which war makes necessary.

Fundamental changes must necessarily take place in the foreign trade of the countries at war. Even if the belligerent countries were to succeed in maintaining their exports, the character of their imports must change. Less will be imported for civilian consumption in order to conserve foreign exchange for the purchase of needed war materials.

Consequently, even if our total exports to the United Kingdom and France, for example, be increased, the character of that trade will undoubtedly change. We will export less of some things and more of others. As a result, those branches of our industry and agriculture which are producing for export the things which the European belligerents need for war will tend to expand. The development of other branches may be retarded.

When the war is over, there may develop out of the immediate needs of reconstruction and the satisfying of long-deferred wants, a temporary boom. The task of statesmanship will be to endeavor so to guide affairs as to promote the reestablishment of trade on a sound basis and to avoid those mistaken and short-sighted policies which will lead from temporary post-war stimulation into renewed economic depression. We must keep our trade-agreements program in the fullest possible effective operation, as an essential aid to this future task of statesmanship.

Our trade with the neutral countries will also be subject to modification because of the war. Many neutral countries, including those in Latin America, may turn to us for supplies

previously purchased from other sources but now no longer available from them. The degree in which our exports to these neutral countries will expand in consequence of these changes will depend in large measure upon their ability to sell their products to us in increased quantities. It is for this reason that no opportunity should be lost to provide improved opportunity for such increased exchange of goods through the negotiation of new trade agreements.

Moreover, the extent to which any increase in our trade with neutral countries may be based upon a sound and mutually profitable increase in reciprocal trade, will serve to diminish the dangers and extent of later readjustments which must follow from unsound and uneconomic wartime trade developments.

The end of a major war brings with it a complicated chain of problems of economic readaptation. In part, but only in part, it leaves a need for the restoration of previous channels of trade. In part it requires an adaptation of the economic system to conditions which are entirely new.

This need for reconstruction and readaptation will not be confined to the belligerents. It will affect American industry and American agriculture.

No approach to a satisfactory and permanent peace after the war has ended can be made without regard to the economic factors which govern the relations of countries to each other. Economic relations must be adjusted to insure friendly and cooperative relations among all nations. Economic and commercial warfare is a constant menace to peace. The raising of trade barriers and the giving and seeking of preferential advantages in commercial relations is in effect a form of conflict. It repudiates the concept of mutuality of interest among nations and substitutes that of struggle. It is aggression, and aggression is the logical antecedent of military action.

Every country must be able to feel that its interests are associated with a cooperating, peaceful world—that the functioning of a sound, wholesome international trade is vital to its well-being and security. In a word, an

international economic and political system to which every country owes allegiance is the only alternative to world confusion and disorder. By "system" I mean an informal but nonetheless real association based on accepted rules of conduct both political and economic for the protection and advantage of all. This means the inviolability of treaties and the outlawing of any practices whether economic or political by which one country injures another. Commercial policies which prejudice the rights of

other countries to carry on legitimate trade come in this class.

A stable world order must be based upon a cooperative attitude in the relations of nations to each other. To this end the whole network of excessive and preferential tariffs, of restrictive quotas, of exchange manipulation, of government-controlled foreign-trade monopolies must be replaced by an orderly system of international economic relations in order that the capitalist system may survive and the whole world may prosper and advance.

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SUPPLEMENTAL TRADE-AGREEMENT NEGOTIATIONS WITH CANADA

[Released to the press November 30]

The Secretary of State today issued formal notice of intention to negotiate with Canada a trade agreement supplemental to the trade agreement signed at Washington on November 17, 1938, and now in force. Interested persons are invited to submit their views in regard to these proposed negotiations to the Committee for Reciprocity Information.

The Committee for Reciprocity Information issued at the same time a notice setting December 16, 1939, as the closing date for the submission to it by interested persons of information and views in writing and of applications to appear at public hearings to be held by the Committee; this notice also set Tuesday, December 19, 1939, at 10 a. m. as the time for the opening of public hearings with respect to these negotiations, which hearings will be held before the Committee for Reciprocity Information in the hearing room of the United States Tariff Commission in the Old Land Office Building, 8th and E Sts., NW., Washington, D. C.

The Secretary of State, in issuing the notice of intention to negotiate a supplementary trade agreement with Canada, stated that the proposed negotiations will be of a limited character and are intended to deal only with special emergency conditions which have arisen with respect to the marketing of silver and black fox

furs and skins. The proposed negotiations will therefore be restricted to a consideration of the limitation of total imports for consumption into the United States of live silver and black foxes, silver and black fox furs and skins (dressed or undressed), parts of such furs and skins, and articles made wholly or in chief value of such furs and skins; and consideration of a reduction in the United States import duty on silver and black fox furs and skins. The present United States import duty on silver and black fox furs and skins originating in Canada, as fixed in item 1519 (c) of Schedule II of the trade agreement between the United States and Canada signed November 17, 1938, is 37½ percent ad valorem.

No consideration will be given in the proposed negotiations to the treatment by the United States of articles other than those mentioned above, or to the treatment by Canada of articles imported from the United States.

COMMITTEE FOR RECIPROCITY INFORMATION

TRADE AGREEMENT NEGOTIATIONS WITH CANADA

Public Notice

Closing date for submission of briefs, December 16, 1939

Closing date for application to be heard,
December 16, 1939

Public hearings open, December 19, 1939

The Committee for Reciprocity Information hereby gives notice that all information and views in writing, and all applications for supplemental oral presentation of views, in regard to the negotiation of a trade agreement with the Government of Canada, notice of intention to negotiate which has been issued by the Secretary of State on this date, shall be submitted to the Committee for Reciprocity Information not later than 12 o'clock noon, December 16, 1939. Such communications should be addressed to "Chairman, Committee for Reciprocity Information, Old Land Office Building, Eighth and E Streets, NW., Washington, D. C."

A public hearing will be held beginning at 10 a. m. on December 19, 1939, before the Committee for Reciprocity Information in the hearing room of the Tariff Commission in the Old Land Office Building, where supplemental oral statements will be heard.

Six copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to. Appearance at hearings before the Committee may be made only by those persons who have filed written statements and who have within the time prescribed made written application for a hearing, and statements made at such hearings shall be under oath.

By direction of the Committee for Reciprocity Information this 30th day of November 1939.

JOHN P. GREGG
Secretary

NOVEMBER 30, 1939.

DEPARTMENT OF STATE

TRADE AGREEMENT NEGOTIATIONS WITH CANADA

Public Notice

Pursuant to section 4 of an act of Congress approved June 12, 1934, entitled "An Act to Amend the Tariff Act of 1930," as extended by

Public Resolution No. 10, approved March 1, 1937, and to Executive Order No. 6750, of June 27, 1934, I hereby give notice of intention to negotiate a trade agreement with the Government of Canada, to supplement and amend the trade agreement with that Government signed at Washington, November 17, 1938.

All presentations of information and views in writing and applications for supplemental oral presentation of views with respect to the negotiation of such agreement should be submitted to the Committee for Reciprocity Information in accordance with the announcement of this date issued by that Committee concerning the manner and dates for the submission of briefs and applications, and the time set for public hearings.

CORDELL HULL
Secretary of State

NOVEMBER 30, 1939.

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ALLOCATION OF TARIFF QUOTA ON HEAVY CATTLE

[Released to the press December 1]

The President signed a proclamation on November 30, 1939, allocating among countries of export for the calendar year 1940 the tariff quota applicable to cattle weighing 700 pounds or more each (other than cows imported for dairy purposes) which was established in the trade agreement with Canada signed on November 17, 1938. The agreement provides that not more than 225,000 head of such cattle may be imported in any calendar year at a rate of duty of 1½ cents per pound and that not more than 60,000 head of this quantity may be imported in any quarter year. Imports above these amounts are dutiable at 3 cents per pound.

Under the terms of the proclamation, 86.2 percent of the quota is allocated to Canada and 13.8 percent to other foreign countries. These proportions are the same as those established for the last three quarters of 1939 by the Presi-

dent's proclamation of February 27, 1939. The application of these percentages to the maximum annual quota established in the agreement results in the following allocation for the calendar year 1940:

Canada 193,950 head
Other foreign countries.. 31,050 head

The maximum quarterly quota of 60,000 head has also been allocated, on the basis of the same percentages, as follows:

Canada 51,720
Other foreign countries..... 8,280

The trade agreement with Canada provides that, if, after consultation with the Government of the United States, the Government of Canada requests allocation of the tariff quota for heavy cattle, the Government of the United States shall take the necessary steps to allocate the quota. The agreement also requires that the allocation shall be based upon the proportions of total imports into the United States supplied by foreign countries in past years, account being taken insofar as practicable in appropriate cases of any special factors affecting the trade. Following consultation between the two Governments, the Government of Canada first requested allocation of the quota on February 24, 1939. In accordance with the agreement, the President on February 27, 1939, proclaimed the allocation of the quota for the last three quarters of 1939. The allocation of the quota for 1940 has been made in accordance with a similar request from the Canadian Government.

The allocations to Canada and to other countries are based upon imports into the United States during the years 1936 and 1937, which the President found to be representative of the trade in heavy cattle.

AVAILABILITY OF AUSTRALIAN WOOL

[Released to the press December 1]

The following information has been received from the American Embassy at London:

The British Government has formulated tentative plans for the release of Australian wool to the United States. While the total amount of wool which will be made available to the United States during the present season has not been decided upon and will probably depend upon current developments, a decision has been reached to make up to 10 million pounds of Australian wool immediately available to United States importers. Definite prices have not been decided upon but will be fixed on a basis of securing approximate parity between manufacturers in the United Kingdom and United States. Payment in dollars will be required. The British Government at present cannot release any Australian wools coarser than 59's, nor any type of crossbred New Zealand wool.

American firms desiring to obtain Australian wool now available should communicate with the Central Wool Committee, at 419 Collins Street, Melbourne, Australia, and in communicating should include information relative to quantities and types of Australian wool normally purchased.

TRADE AGREEMENT WITH TURKEY

[Released to the press December 1]

A supplementary proclamation was issued by the President on November 30, 1939, declaring that the trade agreement between the United States and Turkey signed on April 1, 1939, came into force definitively on November 20, 1939.

This trade agreement was proclaimed by the President on April 5, 1939, and came into force provisionally on May 5, 1939. It has now been put into force definitively pursuant to a provision of its own article 16 by the receipt by the Government of the United States of notification of the ratification of the agreement by the Grand National Assembly of Turkey and by the communication to the Government of the Turkish Republic on November 20, 1939, of the proclamation of the agreement by the President of the United States, executed on April 5, 1939.

Foreign Service

PERSONNEL CHANGES

[Released to the press December 2]

Changes in the Foreign Service of the United States since November 24, 1939:

Henry H. Balch, of Madison, Ala., consul general at Dublin, Ireland, has been assigned as consul general at Genoa, Italy.

Warden McK. Wilson, of Indianapolis, Ind., consul general at Genoa, Italy, has been designated first secretary of legation at Lisbon, Portugal.

Harry F. Hawley, of New York, N. Y., consul at Oporto, Portugal, has been assigned as consul at Gibraltar.

Erwin P. Keeler, of Indiana, Foreign Service officer assigned to the Department of State and detailed to the Department of Agriculture, has been designated agricultural attaché at Rio de Janeiro, Brazil.

Laurence E. Salisbury, of Chicago, Ill., now assigned to the Department of State, has been assigned to Manila, P. I., as Foreign Service officer, under commissions as consul and first secretary in pursuance of the provisions of section 8 of the act of August 7, 1939.

Walter H. Schoellkopf, of Buffalo, N. Y., first secretary of embassy at Madrid, Spain, now on leave of absence in the United States, has retired from the Foreign Service effective December 1, 1939.

Owen L. Dawson, of Illinois, Foreign Service officer designated as agricultural commissioner at Shanghai, China, now on leave of absence in the United States, has been designated agricultural attaché at Shanghai, China.

Leo J. Callanan, of Dorchester, Mass., consul at Málaga, Spain, has been assigned as consul at Oporto, Portugal.

Joseph F. Burt, of Fairfield, Ill., consul at Veracruz, Mexico, has been designated second secretary of embassy at Mexico City, Mexico.

George Alexander Armstrong, of New York, N. Y., second secretary of legation at Lisbon, Portugal, has been assigned as consul at Málaga, Spain.

Augustus S. Chase, of Waterbury, Conn., consul at Canton, China, now on leave of absence in the United States, has been assigned as consul at Dairen, Manchuria.

Whitney Young, of New York, N. Y., consul at Swatow, China, has been assigned as consul at Palermo, Italy.

Douglas Jenkins, Jr., of Charleston, S. C., vice consul at Warsaw, Poland, has been designated third secretary of legation at Stockholm, Sweden.

M. Williams Blake, of Columbus, Ohio, vice consul at Warsaw, Poland, has been assigned as vice consul at Birmingham, England.

Kingsley W. Hamilton, of Wooster, Ohio, vice consul at Zürich, Switzerland, has been assigned as vice consul at Saigon, French Indochina.

J. Brock Havron, of Tennessee, vice consul at Veracruz, Mexico, has been appointed vice consul at Guadalajara, Mexico.

James R. Riddle, of Alabama, vice consul at Guadalajara, Mexico, has been appointed vice consul at Veracruz, Mexico.

The assignment of Casimir T. Zawadzki, of New York, N. Y., as vice consul at London, England, has been canceled. Mr. Zawadzki will remain as vice consul at Berlin, Germany.

PROCLAMATIONS OF TWO TREATIES AND A CONVENTION WITH LIBERIA

Announcements to the press regarding proclamation by the President of an extradition treaty, a treaty of friendship, commerce, and navigation, and a consular convention with Liberia, appear in this *Bulletin* under the heading "Treaty Information."

Treaty Information

Compiled by the Treaty Division

ARBITRATION

Permanent Court of Arbitration

Iran

According to a communication from the Secretary General of the Permanent Court of Arbitration dated October 10, 1939, the Government of Iran has appointed as Members of the Permanent Court of Arbitration Mr. Hossein Ghadimy, Chief of the Section of the League of Nations and of International Relations; Mr. Mohamed Réza Vojdani, Solicitor General in the Court of Cassation; and Mr. Ali Akbar Dehkhoda, Dean of the Tehran Law School.

EXTRADITION

Extradition Treaty With Liberia (Treaty Series No. 955)

On November 30, 1939, the President proclaimed the Extradition Treaty with Liberia signed on November 1, 1937. The treaty will be printed as Treaty Series No. 955.

COMMERCE

Treaty of Friendship, Commerce, and Navigation With Liberia (Treaty Series No. 956)

On November 30, 1939, the President proclaimed the Treaty of Friendship, Commerce, and Navigation between the United States and Liberia, signed on August 8, 1938. The treaty will be printed as Treaty Series No. 956.

Supplemental Trade Agreement With Canada

Two announcements to the press regarding intention to negotiate a supplemental trade

agreement with Canada and the proclamation by the President allocating the tariff quota on heavy cattle appear in this *Bulletin* under the heading "Commercial Policy."

Trade Agreement With Turkey

An announcement to the press regarding the supplementary proclamation by the President of the trade agreement with Turkey appears in this *Bulletin* under the heading "Commercial Policy."

CONSULAR

Consular Convention With Liberia (Treaty Series No. 957)

On November 30, 1939, the President proclaimed the Consular Convention between the United States and Liberia signed on October 7, 1938. The convention will be printed as Treaty Series No. 957.

FINANCE

Double Income Taxation With Sweden

The American Minister to Sweden reported by a telegram dated November 25, 1939, that the instruments of ratification of the Convention for the Avoidance of Double Income Taxation between the United States and Sweden, signed on March 23, 1939, were exchanged at Stockholm on November 14, 1939. The convention provides that it will become effective on the first day of January following the exchange of the instruments of ratification.

Final Act of the First Meeting of Finance Ministers of the American Republics at Guatemala

The text of the Final Act of the First Meeting of Finance Ministers of the American Re-

publics at Guatemala, November 14-21, 1939, appears in this *Bulletin* under the heading "The American Republics."

INDUSTRIAL PROPERTY

Convention for the Protection of Industrial Property (Revised 1934) (Treaty Series No. 941)

Belgium—Switzerland

By two notes dated November 18, 1939, the Swiss Minister at Washington informed the Secretary of State that the Government of Belgium and the Swiss Federal Council have adhered to the Convention for the Protection of Industrial Property as revised at London on June 2, 1934. The adherence of Belgium became effective on November 25, 1939, and that of Switzerland on November 24, 1939.

According to the information of the Department the convention has been ratified and adhered to by the following countries: Belgium, Denmark, France, Germany, Great Britain, Japan (including Chosen, Taiwan, and Karafuto), Norway, Tangier (French Zone), United States of America, and Switzerland.

Arrangement for the Suppression of False Indications of Origin on Merchandise (Revised 1934)

Switzerland

By a note dated November 18, 1939, the Swiss Minister at Washington informed the Secretary of State of the adherence by the Swiss Federal Council to the Arrangement for the Suppression of False Indications of Origin on Merchandise as revised at London on June 2, 1934. The adherence took effect on November 24, 1939.

According to the information of the Department the arrangement has been ratified or adhered to by the following countries: France, Germany, Great Britain, Switzerland, and Tangier (French Zone).

Arrangement Concerning the International Registration of Trade Marks (Revised 1934)

Belgium—Switzerland

By two notes dated November 18, 1939, the Swiss Minister at Washington informed the Secretary of State of the adherence of the Government of Belgium and the Swiss Federal Council to the Arrangement Concerning the International Registration of Trade Marks as revised at London on June 2, 1934. The adherence of Belgium took effect on November 25, 1939; that of Switzerland on November 24, 1939. According to the information of the Department this arrangement has been ratified and adhered to by the following countries: Belgium, France, Germany, and Switzerland.

Arrangement Concerning the International Registration of Industrial Designs and Models (Revised 1934)

Belgium—Switzerland

By two notes dated November 18, 1939, the Swiss Minister at Washington informed the Secretary of State of the adherence of the Government of Belgium and the Swiss Federal Council to the Arrangement Concerning the International Registration of Industrial Designs and Models as revised at London on June 2, 1934. The adherence became effective for Belgium on November 25, 1939, and for Switzerland on November 24, 1939.

According to the information of the Department this arrangement has been adhered to by the following countries: Belgium, France, Germany, and Switzerland.

POSTAL

Universal Postal Convention of 1934

Germany

There are quoted below, in translation, two notes from the Swiss Minister at Washington dated November 2 and 18, 1939, regarding the

adherence of Germany to the Universal Postal Convention, signed at Cairo on March 20, 1934, and the text of the Department's reply dated November 24, 1939:

"LEGATION OF SWITZERLAND,
Washington, D. C., November 2, 1939.

"MR. SECRETARY OF STATE:

"By order of my Government, I have the honor to advise you that the Government of the Reich, through its Legation at Bern, has notified the Swiss Government that the adherence of Germany to the Universal Postal Union Convention, signed at Cairo March 20, 1934, as well as to the arrangements mentioned in Article 9 of that diplomatic instrument, implies that of the Protectorate of Bohemia and Moravia and that the latter will be entitled, in the future, to a separate share of the taxes.

"I should appreciate it if you would be good enough to acknowledge the foregoing and beg you to accept, Mr. Secretary of State, the assurance of my very high consideration.

C. BRUGGMANN
Minister of Switzerland"

"LEGATION OF SWITZERLAND,
Washington, D. C., November 18, 1939.

"MR. SECRETARY OF STATE:

"Referring to my communication of the second of this month relative to the application to the Protectorate of Bohemia and Moravia of the Universal Postal Convention and of the arrangements signed at Cairo on March 20, 1934, I have the honor, by order of my Government, to make clear that the declaration of the German Government was made *in application of Article 9, Paragraph 4, of the diplomatic instrument in question.*

"It was through inadvertence that mention was made 'of the agreements mentioned in Article 9.'

"I would be grateful to you, if you would be good enough to take note of this correction, and beg you to accept, Mr. Secretary of State, the assurance of my very high consideration.

C. BRUGGMANN
Minister of Switzerland"

"NOVEMBER 24, 1939.

"SIR:

"In acknowledging the receipt of your note of November 2, 1939, advising, by direction of your Government, that the Government of the Reich through its Legation at Bern has notified the Swiss Government that the adherence of Germany to the Universal Postal Union Convention signed at Cairo on March 20, 1934, implies the adherence also of the Protectorate of Bohemia and Moravia, I have the honor to state that the Government of the United States of America does not recognize the claim of Germany to a protectorate over Bohemia and Moravia, perceiving the existence of no legal basis therefor.

"Accept, Sir, the renewed assurances of my highest consideration.

For the Secretary of State:

R. WALTON MOORE"

PUBLICATIONS

Exchange of Official Publications With Argentina (Executive Agreement Series No. 162)

An Agreement for the Exchange of Official Publications between the United States and Argentina was concluded by an exchange of notes dated September 30, 1939, and October 17, 1939.

The agreement provides for the complete exchange between the two Governments of the official publications of their several departments, bureaus, offices, and institutions. The official exchange office for the transmission of the publications of the United States is the Smithsonian Institution, and on the part of Argentina it is the Ministry for Foreign Affairs. Each Government furnished to the other a list of the various departments which issue publications and agreed to extend the list so as to include, without subsequent negotiations, any new office which either Government may establish in the future. Each party to the agreement agreed to bear the postal, railroad, steamship, and other charges arising in its own country.

Publications**DEPARTMENT OF STATE**

Reciprocal Trade: Agreement and Protocol of Signature between the United States of America and France, and Related Notes.—Agreement and protocol signed at Washington May 6, 1936; effective provisionally June 15, 1936. Executive Agreement Series No. 146. Publication 1390. 68 pp. 10¢.

Reciprocal Trade: Agreement, Protocol, Notes, and Protocol of Amendment between the United States of America and Czechoslovakia, and Proclamation of March 23, 1939, by the President of the United States Terminating on April 22, 1939, His Proclamations of March 15, 1938, and April 15, 1938. Executive Agreement Series No. 147. Publication 1397. 62 pp. 10¢.

Air Transport Services: Arrangement between the United States of America and Canada.—Effectuated by exchange of notes signed August 18, 1939; effective August 18, 1939. Executive Agreement Series No. 150. Publication 1402. 6 pp. 5¢.

U. S. GOVERNMENT PRINTING OFFICE: 1939

For sale by the Superintendent of Documents, Washington, D. C.—Price 10 cents - - - - Subscription price, \$2.75 a year

PUBLISHED WEEKLY WITH THE APPROVAL OF THE DIRECTOR OF THE BUREAU OF THE BUDGET